

Original Research Article

Celebrity Endorsement on Purchase Decision: The Mediation Analysis of Women's Price Perception

ABSTRACT

As one of the most interesting research topics recently, social media marketing reveals many new and/or advanced research variables, and one of such variables is an endorsement of social media celebrity. According to the literature, a celebrity endorsement is seen as a strategy of marketing, which involves through the use of a well-recognized person's service, such as a celebrity in order to promote a brand of product and/or service. However, this study reveals that there are lack studies explain the role of celebrity endorsement on purchase decision in Asian research context. Following this phenomenon, this study then aims to apply a quantitative research method in order to reveal the role of celebrity endorsement on purchase decision. As a research novelty, this study also reveals that there are few studies explain the role of celebrity endorsement on purchase decision with the mediation role of price perception. With the sample size is 100 female respondents, as theoretical contribution, this study then finds that there is no significant moderation role of women's price perception on the relationship between customer endorsement and purchase decision. As for managerial contribution, the findings of this study are considered to be important for business owners, who primarily promote and sell a cosmetic product, in crafting a proper social media marketing strategy that later helps to maximize and improve revenue.

Keywords: celebrity endorsement, price perception, purchase decision, marketing, cosmetic product, social media marketing

1. INTRODUCTION

The development of business in the cosmetics industry is currently experiencing a rapid increase, which has an impact on fast moving consumer goods (FMCG) business firms that normally have a fast turnover, however, a short shelf-life product less, given the fact that FMGC are considered as non-durable goods. FMGC products are also necessary for daily use of some customers, who usually purchase such products at least once a month [1]. Subsequently, in the context of marketing, FMGC products have been discussed widely. For example, the study of Deliya [2] signifies that FMCG product is relied more on the importance of a packaging design, which is considered as a vehicle for branding within the competitive markets. Since early 90's, marketing science has developed its literature to the digitalization context and currently, from such development in the digitalization era, social media marketing has been one of the most interesting research areas for some scholars such as Zhang, Pan [3] or Yushar, Abdi [4] who find that the use of digital technology, e.g. electronic commerce, through internet helps people to expand the customer's need on offered product or service and it also helps the organization to easily market its product or service online.

As one of the most interesting research topics recently, social media marketing reveals many new and/or advanced research variables, and one of such variables is an endorsement of social media celebrity. According to the literature, a celebrity endorsement is seen as a strategy of marketing, which involves through the use of a well-recognized person's service, such as a celebrity in order to promote a brand of product and/or service [5, 6]. In order to increase the level of customer's purchase decision, the organization or business unit tends to apply a social media celebrity endorsement's service. As a result, the study of Ahmad, Idris [7] reveals that, through the application of both social media celebrity endorsement and some social media platforms e.g. Instagram, Facebook, etc., most companies are assisted both, on the one hand, to promote and sell its brand at online market as well as, on the other hand, to increase its level of customer's purchase decision.

Furthermore, customer's purchase decision, which is explained by Monoarfa, Juliana [8], is considered as purchasing behavior of individuals and families who buy goods and services for the purpose of personal consumption. Additionally, the customer purchase decision within a management perspective, especially the marketing science, is seen as a complex process, which covers a number of factors, such as perceived quality, price, and strategy of decision making [9, 10].

In line with the discussions above, through the literature research, this study reveals that there are lack studies explain the role of celebrity endorsement on purchase decision in Asian research context. The main reason is that many studies have been conducted in explaining the role of celebrity endorsement on purchase decision, however, in West countries. As a research novelty, this study also finds that there are few studies explain the role of celebrity endorsement on purchase decision with the mediation role of price perception. Following this research gap, this study accordingly intends to perform a research on the mediation role of women's price perception on the relationship between celebrity endorsement and purchase decision.

2. MATERIAL AND METHODS

2.1 Celebrity Endorsement (CE)

The application of celebrities inside marketing activity is not seen as a recent phenomenon due to literature shows that celebrities have been endorsing any kind of product and/or service ever since the late 19th century, which can be seen in the promotion of Cadbury's Cocoa through the endorsement of Queen Victoria [11]. Within the recent era, the application of celebrities in supporting a marketing strategy of a firm has been developed in social media platforms, e.g. Facebook, Instagram, etc. Moreover, according some scholars [4, 9, 12-14], there are four indicators of celebrity endorsement, namely: (a) celebrity popularity; (b) celebrity credibility; (c) celebrity attraction; and (e) celebrity power.

2.2 Purchase Decision (PD)

Literature indicates that a purchase decision is viewed as the individual's process in identifying needs and wants, evaluating an alternative, as well as making a decision in order to purchase particular products and/or services [10, 15]. Great number of scholars explore the factors that influence customer's purchase decisions within the existing literature, namely: (a) personal factors, which contain individual characteristics that have significant impacts in shaping customer's purchase decision, e.g. gender, age, income, etc.; (b) psychological factors, which include perceptions, motivations, attitudes, as well as emotions that potentially affect customer's decision making process; (c) social factors, which cover family, social class, group that influence customer's purchase decision; and (d) situational factors, which include constraints, availability, as well as location that impact customer's purchase decision [7, 8, 10, 15].

2.3 Price Perception (PP)

Based on the recent study of An and Ozturk [16], the evaluation of cognitive and interpretation of subjective of price by the customers is defined as price perception, which also involves emotional as well as psychological factors that accordingly bring some effects on the customer's: (a) price fairness perceive; (b) price value; and (c) price's attractiveness. Moreover, some scholars [17] have proposed several theories in the literature in order to express the perception of price through the application of several perspectives, namely: price framing, reference points, relationships of price-quality, and customer's expectations.

2.4 Research Framework and Hypothesis

Figure 1. Diagram of Research Framework

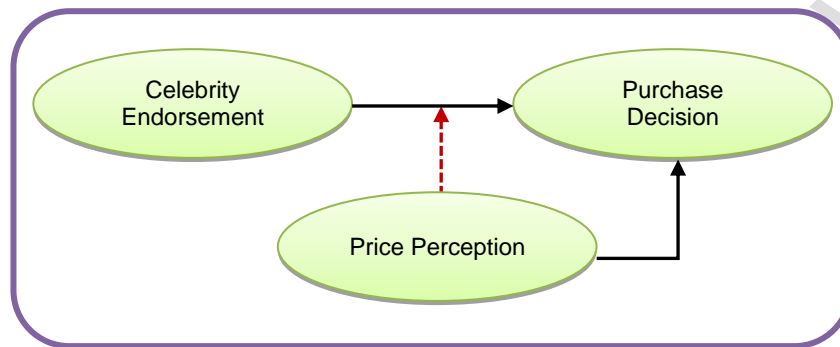


Table 1. Research Hypothesis

No	Hypothesis
H1	There is a significant effect of CE on PD
H2	There is a significant effect of PP on PD
H3	There is a moderation effect of PP on the relationship between CE and PD

2.5 Research Design

This study uses a quantitative research method with the application of data source collection techniques, namely, primary and secondary data source collection [14, 18]. The primary data source is from the direct observation at the location of research, which is the Special Region of Yogyakarta, Indonesia. Whereas, the secondary data are the data, are obtained from the literature and/or any information related to this study's research problems [19]. This study also applies a research questionnaire in order to explore and determine the influence of price perception on the relationship between celebrity endorsement and customer's purchase decision in the Special Region of Yogyakarta, Indonesia.

2.6 Population and Sample

The sampling technique used in this study is Non-probability sampling, which is a sampling technique that does not provide equal opportunities for each element or member of the population to be selected as a sample [19, 20]. The sampling technique used is a purposive sampling technique where the sampling technique is based on certain considerations. The criteria for respondents who becomes the sample in this study, are 100 female respondents, who has bought and consumed a cosmetic product, called "Emina", in the last one year, in which located at the Special Region of Yogyakarta.

2.7 Data Collection Technique and Data Analysis

The data collection techniques in this study, particularly are: (a) literature study that is from any written relics, e.g. books or official documents, (b) observation, which is through the

visual data collection that accordingly transform the visual findings into the written documents; and (c) interview, which is the conversations with the respondents [19, 21]. Moreover, this study also applies several descriptive analysis approaches, especially through the application of several statistical measurement tests, which are validity and reliability test as well partial least square path analysis [19].

3. RESULTS AND DISCUSSION

3.1 Validity and Reliability Test Results

Based on Table 2, this study finds that the variables in this research are valid due to the r-count scores of all variables are higher than r-table scores. As such, this study indicates that all variables, which are observed within this study, consequently, valid to be further analyzed. Additionally, the reliability test results in Table 1 also indicate that all variables in this study are reliable to be further analyzed due to all variables' Cronbach Alpha scores are higher than 0.60, as suggested by Bougie and Sekaran [19].

Table 2. Construct Validity and Reliability Test Results

	Cronbach's Alpha	r-table	r-count
CE (X)	0.798	0.195	0,623
PP (Z)	0.792	0.195	0,707
PD (Y)	0.765	0.195	0,680

3.2 Total Effects Test Results

Table 3. Total Effects Test Results

	O	M	STDEV	TSTAS	PV
CE (X) ->PD (Y)	0.666	0.663	0.091	7.312	0.000
Mod_PP ->PD (Y)	0.066	0.075	0.093	0.708	0.479
PP (Z) ->PD (Y)	0.177	0.162	0.094	1.878	0.061

Figure 2. Diagram of Total Effects Test Results

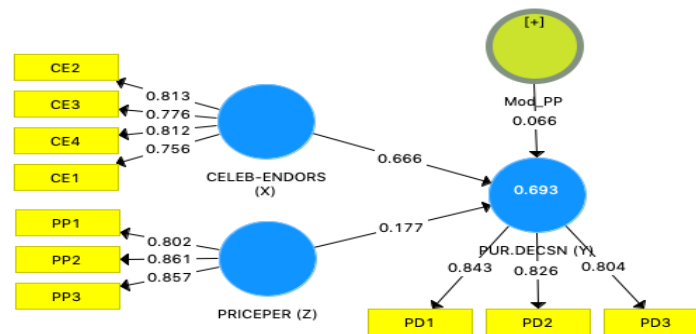
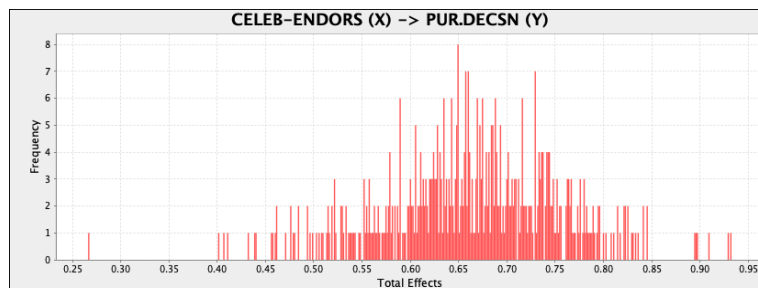


Figure 3. Histogram of Total Effects Test Results



3.2.1 The Effect of CE on PD

Based on Table 3, Figure 2, and Figure 3, this study finds that there is a positive effect of CE on PD with the path coefficient score is 0.666. Additionally, based on the score of P-Value, which is 0.000 or smaller than 0.05 (significant), this study accordingly confirms that CE affects PD significantly in positive way, as such H1 is accepted.

3.2.2 The Effect of PP on PD

Based on Table 3, Figure 2, and Figure 3, this study finds that there is a positive effect of PP on PD with the path coefficient score is 0.177. However, this study implies that based on the score of P-Value, which is 0.061 or higher than 0.05 (insignificant), this study accordingly confirms that PP has no significant effect on PD, and consequently, H2 is rejected.

3.2.3 The Moderation Effect of PP on the relationship between CE and PD

Based on Table 3, Figure 2, and Figure 3, this study finds that there is a positive effect of PP on PD with the path coefficient score is 0.066. However, this study implies that based on the score of P-Value, which is 0.479 or higher than 0.05 (insignificant), this study accordingly confirms that PP has no significant effect on the relationship between CE and PD, and, consequently, H3 is rejected.

4. CONCLUSION AND RECOMMENDATION

4.1 Conclusion

According to the findings of this study, hence, this study concludes celebrity endorsement positively and significantly affects purchase decision of the respondents, who has bought and consumed a cosmetic product, called "Emina in specific area in Indonesia, which is Yogyakarta. This finding is similar with the recent study of Singh, Kushwaha [15], which confirms that the role of celebrity endorsement at social media marketing strategy and social media platforms, e.g. Instagram, Facebook, etc., is important and significantly affects customer's purchase decision positively. However, interestingly, the findings of this study indicate that the role of price perception of the respondents does not affect significantly the purchase decision of Emina product. The reason is because most of the respondents declare that price perception is not the main motive to decide to purchase Emina but the product quality motive of the respondents becomes one of the main motives. Accordingly, through the moderation analysis of such price perception of the respondents, this study finds that there is no significant moderation role of price perception on the relationship between celebrity endorsement and purchase decision.

4.2 Recommendation

Based on the findings of this study, as such, this study recommends that celebrity endorsement is one of the vital marketing tools in improving and/or increasing the level of purchase decision, especially for women in deciding to purchase a cosmetic product. In line with the recommendation above, this study is accordingly supported to contribute in the body of literature, given the fact that less literatures explain the effect of celebrity endorsement on purchase decision with the moderation analysis of the price perception of women, who are from developing countries, particularly from Indonesia. Similarly, for managerial contribution, this study recommends that the findings of this study become handy to guide business owners, particularly business units that primarily promote and sell cosmetic products to craft

proper social media marketing strategy, which finally helps such business units to achieve better revenue.

Moreover, this study is also limited by several factors, namely: (1) time span limitation; and (2) respondents' gender limitation. As such, this study recommends a future research to be conducted that primarily focus on the sufficient research time span as well as both male and female respondents' gender as the sample.

COMPETING INTERESTS DISCLAIMER:

Authors have declared that they have no known competing financial interests OR non-financial interests OR personal relationships that could have appeared to influence the work reported in this paper.

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