Using a Celebrity as an Endorser: Is it the Right Decision to Market a Product?

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Abstract: *Increasingly intense business competition requires companies to be more aggressive in their marketing to attract and retain their customers. This requires the company to be more creative in carrying out its business activities. Currently, the level of competition in the automotive world is getting tighter, especially sport bikes. Sport bikes sales also continue to increase from year to year. This condition triggers producers to always compete in increasing innovation by launching new products to maintain market share. This study test the effect of Credibility and Level of Trust to Buying Decisions with Brand Image by using Marc Marquez as an endorser as intervening factor. This study using Honda CBR 250RR Sportbike as a research object, therefore a sample of 120 men were chosen. This study is using Partial Least Square Structural Equation Modelling (PLS-SEM) for data analysis and used SmartPLS 3.0. The Result of this study is that Credibility and Level of Trust has no significant effect to Buying Decision through Brand Image. Few suggestion are put forward in this study, one of which is the company must produce a better advertising concept align with the product advertisement and adjust it by using supporting celebrities and brand to be able to convince consumers and make them feel interested in buying the product.*

Keywords: Credibility, Level of Trust, Brand Image, Buying Decisions.

1. Introduction

Increasingly intense business competition requires companies to be more aggressive in their marketing to attract and retain their customers. This requires the company to be more creative in carrying out its business activities. Currently, the level of competition in the automotive world is getting tighter, especially sport bikes. Sport bikes sales also continue to increase from year to year. This condition triggers producers to always compete in increasing innovation by launching new products to maintain market share.

Marketing is one of the main activities carried out by the company to maintain its survival, develop, and gain profits and strengthen its position inside their competitors. The buying decision process begins when someone is aware of their needs. They begin to realize the difference between their current state and the desired situation. A person's buying behavior can be said to be unique, because preferences and attitudes towards each person's object are different. In addition, consumers come from various segments, so what they desired and their needed is also different. By this situation, the company is required to be more responsive to the desires of consumers and should be able to communicate their products appropriately. Therefore, companies need to provide information about their products well so that consumers will provide a positive response to the product.
An effective marketing strategy is through promotion. Promotion is a part of the marketing mix that the company uses to market its products. Promotion is seen as a flow of information or one-way persuasion that is made to direct a person or company organization to action and create exchanges in market.

Celebrity endorser are very much in helping smooth marketing activities. Celebrities will help make a stronger emotional connection with these consumers, and can build brand attractiveness with the intended target market.

Celebrities can indirectly build a process of self-image in consumers. Celebrity endorser can also be an imaginery user for consumers. When the consumer buys a branded product, usually the consumer will associate his image like a celebrity starring in an ad from the product he bought [1].

This study aims to examine the effect of Credibility and Level of Trust to Buying Decision through Brand Image as intervening factor. This study is divided into several parts. Part one is the introduction, part two discusses the literature review, part three discusses the research methodology, part four discuss the results and findings, part five is the conclussions.

2. Literature Review

In meeting their needs, someone must choose the product or service they will consume. The number of choices available, the conditions faced, and several considerations will produce different decisions from one another. These considerations can be processed by consumers from an economic point of view, their relationship with others as a result of social relations. Describing when they making decisions, all of these considerations will be experienced by consumers even though their roles vary from individual to individual [2]. These are the five steps of buying decision process [3]:
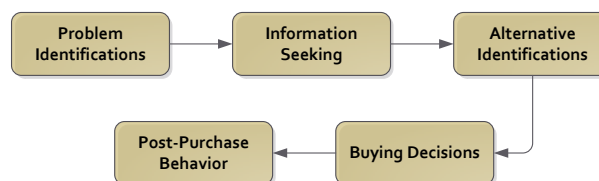

Figure 1: Five Steps Buying Decision Process

The process begins when the buyer or consumer is aware of their problem or need. The needs can rise come from internal or external stimuli. So that the buyer or consumer tries to

fulfill his needs by directing to the existing product. Every buyer will definitely seek information about a product that they will consumed. But when consumers need a product, and when the product is around, consumers will immediately buy it. The information that has been obtained is processed to make a buying decision. At this stage, consumers have decided what products that they will purchased, where consumers already have the results of their own search for information and evaluations about the product. After the decision process, consumers will experience satisfaction or dissatisfaction after buying. If consumers feel satisfied, then they will make a repeat purchase, and if they are not satisfied, then consumers will switch brands.

2.1 Hypothesis Development

2.1.1 Credibility and Level of Trust to Brand Image (Model I)

Celebrity Endorser credibility can refer to the audience's trust (consumers) on the celebrity's messenger ability to ensure information with unusual way and good promotion.

In a marketing world, trust is related to how much endorsers are perceived to be trusted by consumers. In addition, brand image is formed from perceptions that have long been inside consumer's mind [4]. Once an endorser can be trusted by consumer, it can increase the level of perception and motivation.

H_1 : Credibility associated with Brand Image
H_2 : Level of Trust associated with Brand Image

2.1.2 Credibility and Level of Trust to Buying Decisions (Model II)

Credibility refers to the tendency to believe in someone. If a source of information such as advertising support, is considered trustworthy, someone attitude changes through a psychological process called internalization. Celebrity credibility can be trusted and is considered to have insight into certain issues, such as brand reliability, will be the person who is most able to convince others to take an action on buying decision decisions [5].

H_3 : Credibility associated with Buying Decisions
H_4 : Level of Trust associated with Buying Decisions

2.1.3 Brand Image to Buying Decisions (Model III)

Brand image is a set of brand associations that are formed and embedded in the minds of consumers. Brand image is formed from perceptions that have long existed in consumer minds. After going through the stages that occur in the process of perception, then proceed at the stage of consumer involvement in the purchase.

H_5 : Brand Image associated with Buying Decisions

2.1.4 Credibility and Level of Trust to Buying Decision through Brand Image (Model IV)

Endorser credibility affects purchasing decisions. The implication is that the better the consumer's perception of the endorser's credibility, the stronger the buying interest in the advertised product. A credible endorser has a positive effect on consumer purchasing decisions so that it can indirectly affect consumer purchasing decisions and the level of product sales of a company. The selected endorser is expected to have credibility, attractiveness, and charisma so that it can influence consumers' thoughts, attitudes, and behavior. Consumer trust in a product occurs because consumers are starting to be affected by their needs and more curiosity in seeking information to get what they want.

H_6 : Credibility associated with Buying Decision through Brand Image
H_7 : Level of Trust associated with Buying Decision through Brand Image

3. Research Method

3.1 Research Framework

The research framework that will be examined in this study is based on the relationship between variables described in the previous section.
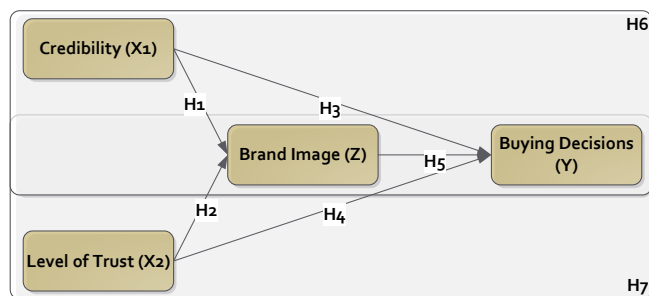

Figure 2: Research Framework

3.2 Research Object, Population, and Sample

This study used Honda CBR 250 RR as research object. The population of this study is all of Honda CBR 250 RR buyer in the South Jakarta area whose population is remained unknown. This study used sample selection formula that describe as the total of indicators multiply by 5 to 10. There are 12 indicators used in this study to describe each variable, therefore the total sample should be 10 multiply by 12 equal to 120 male respondent.

3.3 Data Collection

Data was collected using a questionnaire. The questionnaire is a data collection technique that is done by giving a set of written questions to the respondent to be answered. This questionnaire is addressed to Honda CBR 250 RR user scattered all around Jakarta for 120 respondent.

3.4 Variables

This study use one dependent variable, one intervening variable, and three independent variables. Buying Decisions (Y) as dependent variable, Brand Image (Z) as intervening variable. Credibility (X_1), and Level of Trust (X_2) as independent variable.

3.5 Data Analysis

This study uses a questionnaire as a research instrument, therefore before being analyzed, the data will first be tested for reliability by using SmartPLS 3.0.

1) Structural Model (Inner Model)

The structural model evaluation is based on R^2 value and significant value of each independent variable.

2) Measurement Model (Outer Model)

The outer model evaluation is based on Convergent Validity, Discriminant Validity, Composite Reliability, and Cronbach's Alpha. Convergent validity calculate based on correlation value between item score with construct score. If the reflective value is higher than 0.7, it indicates that the correlation value is high [6]. Discriminant validity can be measure by comparing Average Variance Extracted (AVE) for every construct with one another. If AVE value for every construct is larger than correlation value between one construct to another, it indicates that the model has good Discriminant validity value. While Cronbach's Alpha value can be used to measure reliability of a construct.

3.6 Hypothesis Testing

This test is used to determine whether the independent variables partially have a significant effect on the independent variables. The decision to reject or accept the hypothesis that has been formulated can be done with the following rules:

1) If $\alpha < 0.05$, then H0 is rejected, dan Ha is accepted, this means, partially independent variable have significant effect to dependent variable.
2) If $\alpha > 0.05$, then H0 is accepted, dan Ha is rejected, this means, partially independent variable don't have significant effect to dependent variable.

4. Findings

4.1 Discriminant Validity

The model has sufficient discriminant validity if the AVE root for each construct is greater than the correlation between other constructs.

Table 1: Fornell – Larcker Criterium

Variables	Credibility (X1)	Level of Trust (X2)	Brand Image (Z)	Buying Decision (Y)
Credibility (X1)	0,810			
Level of Trust (X2)	0,659	0,803		
Brand Image (Z)	0,623	0,621	0,863	
Buying Decision (Y)	0,659	0,711	0,736	0,851

The research model is considered to have enough Discriminant Validity value if the root of AVE for every construct is bigger than its correlation with another construct value in table 1. From table 1, the square root for AVE Credibility (X_1) is $\sqrt{0{,}810}$ equal to 0,900, this result is bigger than correlation between Credibility (X_1) and another variable. Same goes for Level of Trust (X_2), Brand Image (Z), and Buying Decision (Y) which have square root for AVE value for 0.896, 0,929, and 0,922 respectively. This concludes that all variables in research model has the criteria of discriminant validity.

4.2 Convergent Validity

Convergent validity indicator can be measured by outer loading value and AVE value.

Table 2: Outler Loading Value

Questions	Brand Image (Z)	Level of Trust (X2)	Buying Decision (Y)	Credibility (X1)
Bi1	0,890			
Bi4	0,873			
Bi5	0,736			
Kp4			0,785	
Kp5			0,905	
Kp6			0,857	
Kpr4		0,850		
Kpr5		0,808		
Kpr6		0,746		
Krd1				0,832
Krd2				0,801
Krd6				0,797

Each indicator were considered meet the convergent validity if each outer loading value is above 7.0. On table 1, the outer loading value for all questionnaire items are above 7.0, so those indicates that the outer loading value has fulfilled the condition.

Table 3: Average Variance Extracted (AVE)

Variable	AVE Value
Credibility (X_1)	0,657
Level of Trust (X_2)	0,644
Brand Image (Z)	0,699
Buying Decision (Y)	0,723

A good research model is said to have AVE value above 0.5. Based on table 2, it is shown that the AVE value for all variable is above 0.5, that indicates that the research model is a good model.

4.3 Composite Reliability

Table 4: Cronbach's Alpha Value

Variable	Cronbach's Alpha
Credibility (X_1)	0,738
Level of Trust (X_2)	0,730
Brand Image (Z)	0,782
Buying Decision (Y)	0,807

The construct is reliable when the Cronbach's Alpha value is above 0.7. From table 4 above we can see that all constructs have Cronbach's Alpha value above 0.7, therefore the constructs are reliable.

4.4 Inner Model Evaluation

The first structural model evaluation was done by looking at the R^2 value in the PLS algorithm which is a goodness-fit model test. R^2 is done to see how much influence the independent variable has on the dependent variable together. The results of the R^2 can be seen in table 5 below.

Table 5: R^2 Results

Variable	R-Square
Brand Image (Z)	0,492
Buying Decision (Y)	0,674

Based on table 5, it can be explained that only 49.2% from Brand Image (Z) that could be explain from Credibility (X_1) and Level of Trust (X_2). While 67.4% from Buying Decisions (Y) could be explain from Credibility (X_1), Level of Trust (X_2) and Brand Image (Z).

4.5 Hypothesis Testing

4.5.1 Model I
Research model I is based on construct Credibility (X_1) and Level of Trust (X_2) to Brand Image (Z) that can be seen in below table.

Table 6: Research Model I Result

Model I	p - Value
Credibility to Brand Image	0,000
Level of Trust to Brand Image	0,000

Table 6 shown that all construct have a significance level below alpha (0.05). Therefore H_1 and H_2 are accepted.

4.5.2 Model II and Model III
Research model II and III are based on Credibility (X_1), Level of Trust (X_2), Brand Image (Z) to Buying Decisions (Y).

Table 7: Research Model II and III Results

Model II and III	p - Value
Credibility to Buying Decisions	0,008
Level of Trust to Buying Decisions	0,000
Brand Image to Buying Decisions	0,000

Table 7 shown that all construct have a significance level below alpha (0.05). Therefore H_3, H_4, and H_5 are all accepted.

4.5.3 Model IV
The fourth research model is tested by looking at the direct and indirect impact of the independent construct and intervening construct on dependent construct. Testing is conducted using the following criteria:
1) If the indirect impact is greater than the direct impact, the research model is proven to have significant effect to dependent variable.
2) If the indirect impact is lower than the direct impact, the research model is proven to have no significant effect to dependent variable.

The following is a summary of the test results on the fourth research model.

Table 8: Research Model IV Results

Hypotesis Testing	Direct Impact	Indirect Impact	Results
Hypotesis 6	0,222	0,152	Reject
Hypotesis 7	0,346	0,132	Reject

The fourth research model is formed based on the construct Credibility (X_1), and Level of Trust (X_2), on Buying Decisons (Y) through Brand Image (Z). Based on the table, it is known that hypothesis 6 and 7 has an indirect impact smaller than the direct impact. Thus, H_6 and H_7 are rejected.

5. Conclusions

This study aims to examine the effect of Credibility (X_1) and Level of Trust (X_2) to Buying Decisions (Y) through Brand Image (Z). This study is divided into four research models with different hypothesis in each research model. Based on the output of the statistical value, it was found that research model I has significant effect on Brand Image (Z), therefore H_1 and H_2 are accepted. Research model II and III were proven to have significant effect to Buying Decisions (Y), therefore H_3, H_4, H_5 are also accepted. And research model IV, since both hypothesis have indirect impact smaller than direct impact, both hypothesis, H_6 and H_7, are rejected.

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Author Profile

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