Celebrity Endorsers and Purchase Decisions for Generation Z: Brand Image of L'Oreal Products

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ABSTRACT

The high demand for using beauty products and lots of competition make companies have to innovate in marketing strategies. The existence of the phenomenon in this study can be useful as material for consideration for marketing managers and entrepreneurs in marketing products. So consumers can understand more trending products and fulfill consumer desires in their buying behavior. This study aims to determine celebrity endorser’s purchasing decisions for Generation Z which is mediated by brand image on L’Oreal products. The number of samples in this study were 100 respondents who had bought L’Oreal products. The data collection technique used a purposive sampling method with a questionnaire conducted on Z generation women at the Golden Kediri Supermarket. Data analysis of the results of this study: celebrity endorser has a positive and significant effect on brand image, and brand image has a positive and significant effect on purchasing decisions, then celebrity endorser has no direct significant effect on purchasing decisions. Testing the intervening variables shows that there is an indirect effect on purchasing decisions through the brand image variable.

Keywords: Celebrity Endorser, Brand Image, Generation Z, Purchase Decision.
INTRODUCTION

As time goes by, generation Z has a strong factor in determining the purchase of a product. Looking attractive is a necessity today because appearance can be a source of confidence when socializing or when working. When skincare and makeup needs become primary needs like daily needs, technological advances make everything easy to expose, eventually other people will be motivated to dress up and improve themselves. This certainly has an impact on the cosmetic industry in Indonesia. So that this is used by marketers to make generation Z a potential market share. According to Nurhalim, purchasing decisions are the behavior of buyers to determine whether or not to buy a product [1]. In the decision of the stages of purchase, many things are influenced, including the factors that are used as generation Z to be taken into consideration in purchasing beauty products. The factor that has an impact on purchasing decisions is brand image. Besides that, promotion has an impact on purchasing decisions [2].

The Ministry of Industry has recorded an increase in the local cosmetics industry by 913 companies in 2021 and 95% are small and medium industries while the rest are large-scale industries. The cosmetics industry sector can grow by 2.10 percent and contribute to the national GDP by 1.78 percent in the second quarter of 2022 [3].
Table 1. Top 8 Highest Selling Cosmetic Products

<table>
<thead>
<tr>
<th>No.</th>
<th>Cosmetics Brand</th>
<th>Company</th>
<th>2022 sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>L’Oreal</td>
<td>L’Oreal</td>
<td>Rp. 825 miliar</td>
</tr>
<tr>
<td>2</td>
<td>Oriflame</td>
<td>PT Oriflame Cosmetics Indonesia</td>
<td>Rp. 603 miliar</td>
</tr>
<tr>
<td>3</td>
<td>Ponds</td>
<td>PT Unilever Indonesia Tbk</td>
<td>Rp. 358 miliar</td>
</tr>
<tr>
<td>4</td>
<td>Citra</td>
<td>PT Unilever Indonesia Tbk</td>
<td>Rp. 347 miliar</td>
</tr>
<tr>
<td>5</td>
<td>Gatsby</td>
<td>PT Mandom Indonesia Tbk</td>
<td>Rp. 347 miliar</td>
</tr>
<tr>
<td>6</td>
<td>Pixy</td>
<td>PT Mandom Indonesia Tbk</td>
<td>Rp. 335 miliar</td>
</tr>
<tr>
<td>7</td>
<td>Wardah</td>
<td>PT Paragon Technologi</td>
<td>Rp. 317 miliar</td>
</tr>
<tr>
<td>8</td>
<td>Sariayu</td>
<td>PT Martina Berto Tbk</td>
<td>Rp. 229 miliar</td>
</tr>
</tbody>
</table>

*Source:* Dunia Industri

**Figure 2. L’Oreal Cosmetics Company Value Chart 2022**

One of the cosmetic products originating from Paris, the L’Oreal brand was founded by Eugene Schueller in 1909 in Clichy, France. Initially Eugene Schueller experimented with finding synthetic hair, this idea arose when many women wanted to have long hair so they didn't have to bother using wigs or wigs in style. In 1996 L’Oreal managed to acquire the Maybelline brand, in 2000 Matrix and Kichl, 2006 L’Oreal bought the Body Shop franchise store, in 2010 received an award from the Ethisphere Institute as the most ethical company in the world, in 2011 it acquired Clarisonic, and recorded income from product sales of 20.3 billion Euros. As many as 22 research centers from 17 evaluation centers around the world
have been created by L'Oreal in order to maintain the quality of its products. L'oreal has 27 international brands, for more than 1 century L'Oreal has created cosmetics for the world community, both women and men. In 2015 the L'Oreal brand achieved the highest sales compared to cosmetic brands other. L'oreal's 2015 sales level was Rp. 825 billion. In second place were Oriflame products, followed by Ponds, Citra, Pixy, Wardah, and the last position was occupied by Sariayu products.

Based on Brand Directory data, L'Oreal is the cosmetics company with the largest valuation in the world with a value of US$11.22 billion in 2022. The need for beauty and cosmetic products continues to increase. This is in line with the increasing public awareness to care for and beautify themselves. This condition has also encouraged a number of cosmetic companies to have very large valuations. Its value can even reach billions of United States (US) dollars.

LITERATURE REVIEW

Celebrate Endorser

The influence of celebrity endorsers on consumer behavior is closely related to the attractiveness and credibility of celebrity endorsers perceived by consumers and this research shows that credibility is a factor that determines consumers' intention to buy [4]. In several studies, the results show that there is an influence of celebrity endorsers on purchasing decisions [5][6]. The role of celebrity endorsers in their influence on purchasing decisions is often equated with other variables, namely brand image and word of mouth [7][8].

Buying decision

Endorsement is promotion using someone who supports the product or service to be offered [9]. Celebrity endorser measurement consists of four elements, namely visibility, how far is celebrity popularity, credibility, knowledge of a product that is known by celebrities; attraction, attractiveness, personality, most people like it, and similarity with the target user, power, abilities possessed by celebrities to attract consumers will then make purchases of a brand. Research by Rizki & Mudiantono, Apriantos, and Wulandari & Iskandar shows that brand image has a significant influence on purchasing decisions. This is supported by several studies which state that celebrity endorsers have proven to have a significant and positive effect on purchasing decisions [10][11][12].

Brand Image

Conditions of intense competition require companies to always develop, in order to be able to compete with others, so as to seize market share. One aspect to achieve this state is brand image. With the brand image, the company can differentiate its products from competitors' products, so that consumers
can know the quality and characteristics of the product and the company. Brand image becomes an identifier for consumers to be able to remember a product or service being sold. A good brand will certainly get a good response from consumers, when consumers have a positive assessment of a brand, an intention will arise to purchase products from that brand [13].

**Generation Z**

Adolescents included in generation Z are the generation born in 1995-2012 [14]. This generation is considered more consumptive or hedonic because this generation is considered a wasteful generation. In several studies, the results show that there is an influence of celebrity endorsers on purchasing decisions [5]. The role of celebrity endorsers in their influence on purchasing decisions is often equated with another variable, namely brand image [7][8]. Another study developed that brand image is able to mediate the influence of celebrity endorsers, advertising attractiveness, and product quality on purchasing decisions and this study shows that celebrity endorsers have the greatest influence [15]. Thus it can be seen that there are still research limitations related to celebrity endorsers that focus on generation Z. By looking at previous research, the researchers focused on generation Z in testing the influence of celebrity endorsers on purchasing decisions with brand image as a mediating variable in L'Oreal cosmetic products.

**Hypothesis**

H1: Celebrity Endorsers have a positive and significant effect on Brand Image on L'Oreal products.

H2: Brand Image has a positive and significant effect on Purchasing Decisions on L’oreal products.

H3: Celebrity Endorsers are not significant to Purchasing Decisions for L'Oreal products.

H4: There is an indirect effect between Celebrity Endorsers and Purchasing Decisions with Brand Image as the mediating variable.

![Figure 3. Direct Influence & Indirect Influence](image-url)


RESEARCH METHODS

This type of research uses a quantitative approach with explanatory level analysis. The research was conducted to determine celebrity endorsers on purchasing decisions with brand image as a mediating variable in L’Oreal products. The population in this study is generation Z which is included in the group of teenagers who buy L’Oreal products. The research location was conducted at the Golden Kediri Supermarket. The sample in this study used 100 respondents using purposive sampling with the criteria for generation Z who entered the youth group at the age of 18-27 years. In collecting primary data with survey techniques in the form of distributing questionnaires. After the suitability test was carried out, the interpretation of the model and modification of the models that did not meet the requirements in the tests carried out were carried out.

RESULTS

Respondents of this research are generation Z who have purchased products. Data collection was carried out by distributing questionnaires to respondents who were in the adolescent category. The research questionnaire was divided by 100 respondents, based on the age of the majority being 19 years old with 34 people (24.1%), this is in accordance with information which states that L’Oreal products have succeeded in targeting Indonesian teenage consumers (Christov, 2012). Before testing the hypothesis using SEM, a normality test is carried out because the provisions of the SEM data distribution must be normal (Haryono, 2017).

<table>
<thead>
<tr>
<th>Table 2. Initial Model Test Results for 100 Respondents</th>
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<th>Table 3. Direct Influence</th>
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<td>Celebrity Endorser</td>
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<td>---------------------</td>
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<tr>
<td>Citra Merek</td>
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<td>Keputusan Pembelian</td>
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<th>Table 4. Indirect Influence</th>
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</table>
DISCUSSION

Celebrity Endorsers have a Positive and Significant Effect on Brand Image on L’Oreal Products.

Based on the results obtained $H_1$ is accepted, this indicates that the celebrity endorser used can influence the brand image of L’Oreal products.

Celebrity Endorser of Brand Image. This study succeeded in showing that there was an influence between celebrity endorser variables on brand image with a significance value of C.R. $3.507 \geq 1.967$ and probability value $\leq 0.05$. This research supports that conducted by Sabdillah et al.; Sujana et al.; Anggi & Soesanto; Putra & Sulistyawati; Amalia et al.; and Anggraeni & Kurniawati, which show that celebrity endorsers have a significant positive influence on brand image [16][17][18][19][20][21]. Thus, the better the celebrity endorser found in Pond's products, the brand image of Pond's products will improve for generation Z. Things that need attention for Pond's regarding the celebrity endorser that needs to be owned in order to attract purchasing decisions for generation Z is to choose a celebrity who are already well-known, celebrities who are liked by the public, celebrities who have knowledge regarding endorsed products, and celebrities who are able to display a style of speech that can convince consumers. This research is in contrast to the results of Nur & Rahmidani's research, which states that celebrity endorsers do not affect the brand image of Garnier facial cleansing products [22].

Brand Image has a Positive and Significant Effect on Purchasing Decisions on L’Oreal Products.

Based on the results received $H_2$ is accepted, this shows that the brand image that is owned can influence the decision to purchase L’Oreal products.

Brand Image on Purchase Decision The results of this study indicate the influence between brand image and purchase decision with a significance value of C.R. $3.803 \geq 1.967$ and the probability value $*** \leq 0.05$. The results of this study support Rizki & Mudiantono's research; Aprianto; Priskila et al.; Wulandari & Iskandar; Andrianto et al.; Suyandi & Yuliati; and Sari & Manurung, which state that brand image has a significant effect on purchasing decisions [10][11][22][12][23][24][25]. This means that the better the brand image that Pond's products have, the more positive impact it will have, namely generation Z consumers will be interested in making purchases. The seller needs to pay attention to efforts to improve the consumer's brand image by using brands that are easy for consumers to remember, product brands provide relatively affordable prices, product packaging is practical to use, reflects the younger generation, makes them appear confident, and consumers like the products provided by the brand. Pond's. However, this research is contrary to the research of Febriyanti & Anik; Astuti & Iriani and Septiyani et al., which states that brand image does not affect purchasing decisions [26][27][28].
Celebrity Endorsers are not Significant to Purchasing Decisions for L’Oreal Products.

Based on the results obtained, H3 was rejected because it indicated that the celebrity endorser used could directly influence the purchasing decision of L’Oreal products.

Based on the table 3, the direct influence of celebrity endorsers on purchasing decisions has an influence of -0.305. While table 4, the indirect effect of celebrity endorser on purchasing decisions is 0.827.

Celebrity Endorser on Purchasing Decisions This study failed to prove that there is influence between the celebrity endorser variable and the purchase decision variable, because it has a value of C.R. -1.671 ≥ 1.967 and a probability value of 0.095 ≤ 0.05. The results in this study are not in accordance with research conducted by Shandy; Roshan & Sudiksa; Andrianto et al.; Astuti & Iriani; Septiyani et al.; and Sari & Manurung, that celebrity endorsers have an effect on purchasing decisions [8][29][23][27][28][25]. The results of this study are in line with Handayani’s research; Suyandi & Yuliati; and Pui Yi, A. & Priscilla, that celebrity endorsers have no significant effect on purchasing decisions, so that celebrities do not directly influence product buying decisions. From the results of this study, it can be seen that when a celebrity introduces a product, it will not necessarily affect Generation Z consumers in purchasing the product [30][24][31].

Indirect Effect Celebrity Endorsers and Purchasing Decisions with Brand Image as The Mediating Variable.

The results show that brand image as a mediating variable can affect purchasing decisions for L’Oreal products.

Celebrity Endorser on Purchasing Decisions through Brand Image The results of the study prove that brand image variables are able to mediate celebrity endorser variables and purchasing decisions. The direct influence between celebrity endorsers and purchasing decisions is -0.305. While the indirect effect of celebrity endorsers on purchasing decisions is 0.827. Because the direct effect is smaller than the indirect effect, thus brand image is an intervening variable. Based on research conducted by Roshan & Sudiksa and Hestyani & Astuti, which states that there is a significant influence on the influence of brand image as a mediating variable in celebrity endorser relationships and purchasing decisions [29][15]. If you only look at the influence of celebrity endorsers on Pond's purchasing decisions, the results are not significant, then brand image must be used to mediate the relationship between celebrity endorsers and purchasing decisions on Pond's products. Thus it can be seen that there is full mediation of brand image in the influence of celebrity endorsers on the buying decisions of generation Z consumers.
CONCLUSION

The results showed that celebrity endorsers had a positive and significant effect on brand image and brand image had a positive and significant influence on purchasing decisions. Other findings show that the celebrity endorser variable does not have a direct effect on the purchasing decision variable, but there is an indirect effect between the mediating variables. So it can be concluded that brand image is very important when companies use celebrity endorsers in introducing their products, especially for generation Z. So it needs to be convinced that the celebrity endorser used must be able to improve the brand image of the product being endorsed to make purchasing decisions.

REFERENCES


