

The Influence of Celebrity Endorsement, Price, and Electronic Word of Mouth on Purchase Intention with Brand Image as a Mediator in Skincare Products in Banda Aceh City

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Abstract

This study examines how celebrity endorsements, price, and electronic word-of-mouth (eWOM) influence consumers' purchase intention for skincare products, with brand image serving as a mediating variable. The fieldwork was conducted in Banda Aceh City, involving 190 respondents selected through purposive sampling. A quantitative research design was employed, and data were analyzed using SmartPLS software. The findings indicate that celebrity endorsement has a significant positive effect on brand image ($p = 0.000$) and directly enhances purchase intention ($p = 0.001$). Brand image itself significantly increases purchase intention ($p = 0.003$), confirming its mediating role between external variables and consumers' final purchasing decisions. While eWOM demonstrates a weak association with brand image ($p = 0.067$), it shows a strong and positive direct effect on purchase intention ($p = 0.000$). In contrast, price has no significant effect on brand image ($p = 0.954$) but exhibits a significant direct influence on purchase intention ($p = 0.000$). In summary, consumers in Banda Aceh are primarily influenced to purchase skincare products by celebrity endorsements, eWOM, and price, with brand image acting as a cognitive channel through which these external factors shape purchasing behavior..

Keywords: Celebrity endorsement, Electronic Word of Mouth, Price, Brand Image, Purchase Intention, Skincare, PLS-SEM

Introduction

The skincare industry has witnessed remarkable growth, positioning Indonesia as one of the largest skincare markets in Southeast Asia. This expansion is primarily driven by increasing awareness of self-care, evolving lifestyle preferences, and the pervasive influence of social media (Trisandri, Alkautsar, & Saleh, 2024). According to data from Statista, the value of the cosmetics market in Indonesia is projected to reach approximately USD 3.1 billion in 2024. This figure continues to rise, with the market value in the first quarter of 2024 alone reaching around USD 7.5 billion, reflecting a robust Compound Annual Growth Rate (CAGR) of approximately 18%.

In Banda Aceh City, skincare product sales have been on the rise, particularly for items such as sunscreen, serums, and moisturizers, which are among the most preferred by consumers. Social media and e-commerce play pivotal roles in driving this growth. Influencers on platforms such as Instagram, YouTube, and TikTok significantly shape consumer preferences and purchasing decisions. Moreover, e-commerce platforms like Tokopedia, Shopee, and Lazada facilitate easy access to a wide range of cosmetic products from both local and international brands. These developments have influenced consumer behavior, which now revolves around a more complex decision-making process that includes need recognition, online information searching, and alternative evaluation prior to making a purchase (Sutisna & Susan, 2022).

The graph below shows the top 10 best-selling local skincare brands nationwide.

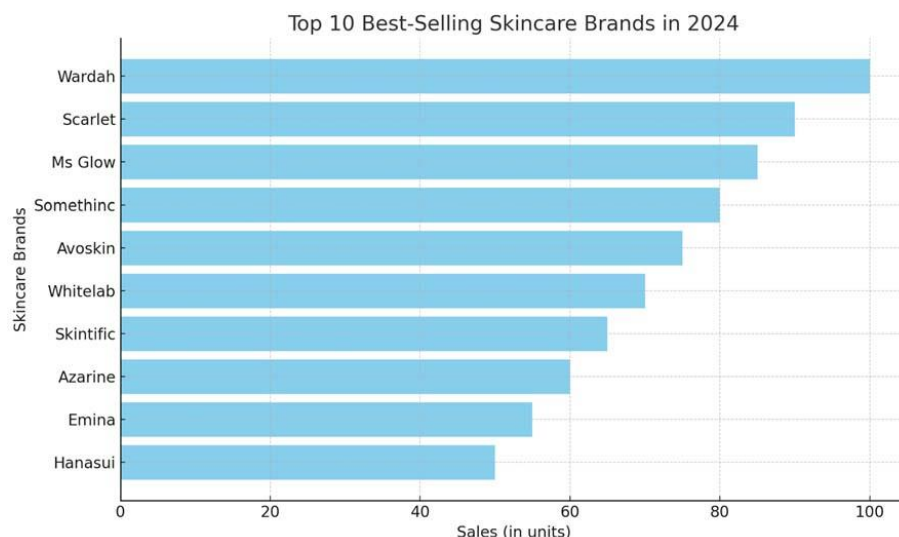


Figure 1 Percentage of Skincare Sales in 2024

Source: <https://www.cantika.com>

The marketing of skincare products is significantly influenced by celebrity endorsements, which have emerged as a key strategy for capturing consumer attention and increasing sales (Wahyoedi et al., 2022). This approach capitalizes on the popularity and persuasive power of celebrities to foster trust and enhance the perceived value of the promoted products. Celebrity endorsements are considered highly effective in reaching broad and diverse audiences. Fans who were previously unfamiliar with a skincare brand may develop interest and purchasing intent simply because their favorite celebrity promotes the product. This aligns with the findings of (Wardani & Praditha, 2022), who assert that consumers often perceive celebrity-endorsed products as high quality, based on the assumption that celebrities would not jeopardize their reputations by endorsing inferior products.

Celebrity endorsements contribute significantly to increasing consumer purchase intention by generating emotional appeal and enhancing product credibility. When a celebrity recommends a product, consumers tend to associate the celebrity's positive attributes such as trustworthiness, attractiveness, or expertise with the advertised product. This association positively influences consumers' perceptions of product quality and strengthens their trust in the brand. Moreover, the celebrity's public appeal can broaden market reach and attract targeted consumer segments, particularly their fan base or social media followers. The persuasive power of celebrity figures can elevate the overall brand image and make consumers more likely to engage in purchase behavior. Consequently, skincare companies strategically leverage celebrity popularity as a marketing tool to stimulate consumer buying interest.

Furthermore, eWOM plays a crucial role in influencing consumer purchasing decisions. As noted by (Cheung & Thadani, 2012), internet-based marketing facilitates the formation of product images through user-generated reviews, which in turn fosters consumer trust. Consumers frequently share their personal experiences and opinions about skincare products online, contributing to a collective pool of information accessible to potential buyers. These peer-generated reviews and recommendations are often perceived as more credible and authentic than traditional advertisements issued by companies. Consequently, prospective consumers are more inclined to trust the real-life experiences of other users, which significantly impacts their purchase intentions.

On the other hand, eWOM represents a form of marketing that emerges from consumer-to-consumer interactions. When combined with celebrity endorsements, eWOM can generate a powerful synergistic effect (Arif, 2019). For example, when celebrities promote products on their social media platforms, they not only engage their followers directly but also encourage those followers to share their own experiences and reviews. This process initiates a positive eWOM chain, amplifying the marketing message. Given the

extensive digital reach of celebrities, their endorsements often trigger widespread consumer engagement. When fans trust the celebrity's opinions, a single testimonial can spark a cascade of favorable eWOM, further enhancing product credibility and influencing potential buyers.

Price also plays a crucial role in shaping consumer purchase intentions. According to (Muljani & Koesworo, 2019), consumers are generally more inclined to purchase products that are perceived to offer a fair balance between price and quality. This consideration is particularly relevant in the skincare industry, where consumers frequently compare prices across brands before making purchasing decisions. Competitive pricing enhances product appeal and may influence preference. Additionally, consumers often seek added value through discounts, promotions, or bundled offers that increase affordability and perceived worth. Such pricing strategies can significantly strengthen a brand's position in a highly competitive market.

Pricing that aligns with consumers' purchasing power significantly enhances product accessibility. According to (Rizki et al., 2022), price remains a critical determinant in shaping consumer purchase decisions. It not only represents the monetary cost of acquiring a product or service but also acts as a cue for perceived quality and value. Consumers frequently associate higher prices with superior quality, whereas lower prices may lead to assumptions of reduced quality or temporary promotional offerings. Therefore, strategic pricing serves both economic and psychological functions in influencing consumer behavior.

In an increasingly competitive market, price stands out as one of the key factors influencing consumer decision-making. Prices perceived as fair and aligned with product quality can significantly enhance purchase intention, whereas excessively high prices or those misaligned with the perceived benefits may deter potential buyers. In response to these dynamics, this study investigates the topic: "The Influence of Celebrity Endorsement, Electronic Word of Mouth, and Price on Purchase Intention with Brand Image as a Mediator in Skincare Products in Banda Aceh."

Method

This study was conducted in Banda Aceh and focused on three cosmetic retail outlets: Natural Kosmetik, Kotty Kosmetik, and Gudang Masker. A convenience sampling technique was employed, targeting individuals who were readily accessible and willing to participate. As a non-probability sampling method, it does not guarantee equal selection opportunities for all consumers. Ultimately, a total of 190 respondents completed the survey.

Data were collected using a structured questionnaire, a widely accepted instrument that allows respondents to provide answers at their convenience. The questionnaire employed an interval scale, chosen for its efficiency in data collection and ease of statistical analysis, particularly when managing large datasets.

The collected data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) via SmartPLS software. PLS was selected based on its advantages in previous research, particularly its suitability for small sample sizes and its minimal distributional assumptions. As noted by (Hair et al., 2019) and (Fernanda et al., 2022), PLS is robust in handling non-normal data, supports exploratory theory testing, and is effective in examining relationships between latent constructs.

Framework

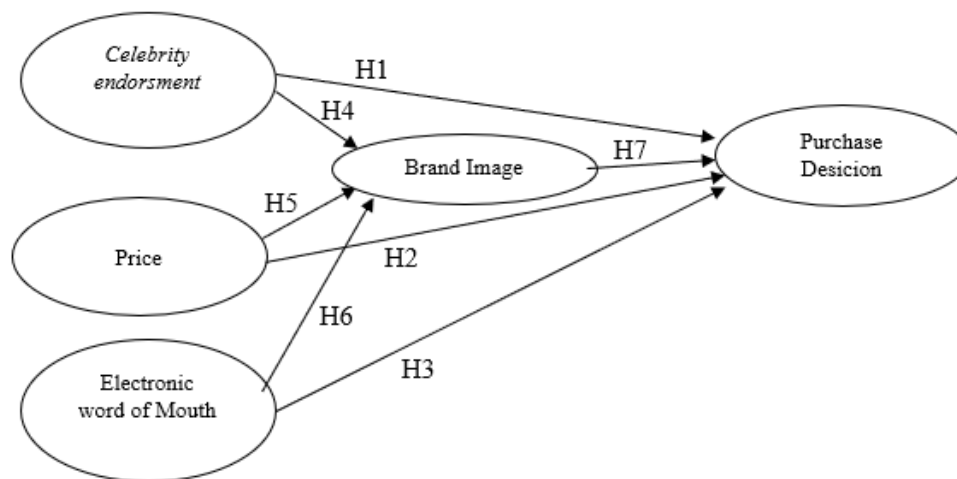


Figure 1. Framework

H1: Celebrity endorsement has an effect on purchase intention of skincare products.

H2: Price has an effect on purchase intention of skincare products.

H3: eWOM has an effect on purchase intention of skincare products.

H4: Celebrity endorsement has an effect on brand image of skincare products.

H6: Price has an effect on brand image of skincare products.

H7: eWOM has an effect on brand image of skincare products.

H8: Brand image has an effect on purchase intention of skincare products.

H9: Celebrity endorsement influences purchase intention of skincare products with brand image as a mediating variable.

H10: Price influences purchase intention of skincare products with brand image as a mediating variable.

H11: eWOM influences purchase intention of skincare products with brand image as a mediating variable.

Result

Indirect Hypothesis

Path Coofecient

	Original sample	Sample mean	Standard deviation	T statistics	P values
Celebrity endorsment → Brand Image	0.279	0.292	0.075	3.735	0.000
Celebrity endorsment → Purchase Decision	0.175	0.192	0.112	1.565	0.001
Brand Image → Purchase Decision	0.310	0.312	0.103	3.013	0.003
Electronic Word of Mouth → Brand Image	0.146	0.152	0.080	1.831	0.067
Electronic Word of Mouth → Purchase Decision	0.041	0.048	0.115	0.354	0.000
Price →Brand Image	-0.006	-0.007	0.102	0.058	0.954
Price →Niat Beli	0.272	0.289	0.069	3.933	0.000

After checking the test results in the table, here is a plain summary and verdict for each of the seven ideas we set out to explore in the study:

The Influence of Celebrity Endorsement on Purchase Intention

The findings of this study reveal that celebrity endorsement exerts a significant influence on consumer purchase intention, with an original sample value of 0.175, a T-statistic of 1.565, and a p-value of 0.002. Although the T-statistic falls slightly below the conventional threshold of 1.96 for significance at the 5% level, the p-value indicates statistical significance. This suggests that a stronger consumer perception of the celebrity endorser is positively associated with a greater intention to purchase the endorsed skincare product. In contemporary marketing, the use of celebrities functions not only as a differentiation strategy but also as a persuasive tool. According to (Kotler et al., 2022), celebrity endorsements possess strategic value as they enhance brand recall and accelerate the product adoption process among consumers. This finding aligns with the results of the present study, which indicate that celebrity endorsements contribute to building initial consumer trust and increasing product awareness factors that ultimately strengthen consumers' purchase intentions.

However, it is important to recognize that the effectiveness of celebrity endorsements is highly contingent upon the degree of congruence between the celebrity and the brand (brand-celebrity fit). When consumers perceive a misalignment between the celebrity's image and the product, the endorsement's influence on purchase intention tends to diminish. This is supported by the results of the cross-loading test in this study, which revealed that indicators A3 and A4 had high loading values on the celebrity endorsement variable (both 0.804), suggesting that strong celebrity attributes such as visual appeal and popularity significantly affect consumer perceptions and purchase intention.

Overall, the findings of this study underscore the critical role of celebrity endorsements in shaping consumer purchase intention. For optimal impact, it is essential for companies to carefully select endorsers who are not only well-known but also perceived as credible and consistent with the brand image. Ensuring alignment between the endorser's persona and the product's values can substantially enhance the persuasive power of the endorsement and strengthen its influence on consumer behavior.

The Influence of Price on Purchase Intention

The results of the hypothesis testing on the effect of Price on Purchase Intention indicate a statistically significant relationship. According to the data presented in the hypothesis testing table, the original sample value (O) for the direct effect of Price on Purchase Intention is 0.272, with a sample mean (M) of 0.289 and a standard deviation (STDEV) of 0.069. The t-statistic is 3.933, and the p-value is 0.000. Since the p-value is less than 0.05, it can be concluded that the Price variable has a statistically significant influence on consumer Purchase Intention. These results suggest that as consumers perceive pricing to be fair and aligned with product value, their intention to purchase the product increases accordingly.

This finding is consistent with (Kotler et al., 2022), who assert that price is one of the four key components of the marketing mix that directly impacts consumer purchasing decisions. Price is often perceived by consumers as an indicator of value and quality, particularly in situations where other product information is limited or unavailable. When consumers perceive that the price is justified by the value and benefits offered, their intention to purchase tends to increase accordingly.

The Influence of Electronic Word of Mouth on Purchase Intention

The results of the hypothesis test on the influence of electronic word-of-mouth (e-WOM) on purchase intention revealed an original sample value of 0.041, a sample mean of 0.048, and a standard deviation of 0.115. The T-statistic obtained was 0.354, which falls well below the minimum threshold of 1.96 required for statistical significance. This indicates that, statistically, there is insufficient evidence to confirm a

significant effect of e-WOM on consumer purchase intention. Interestingly, the recorded p-value was 0.000, a value typically associated with high statistical significance. However, this result is inconsistent with the very low T-statistic, suggesting the possibility of data entry errors, software anomalies, or inconsistencies in data processing. Given this discrepancy, the researchers prioritized the T-statistic value as the more reliable indicator in assessing the significance of the variable relationship.

Based on these findings, it can be concluded that e-WOM does not significantly influence consumer purchase intention in the context of this study. One possible explanation is that the reviews or recommendations circulating through digital media are not strong, persuasive, or credible enough to shape consumer behavior. This may occur when e-WOM content is perceived as neutral, lacks trustworthiness, or originates from non-credible sources. Additionally, the limited impact of e-WOM may be attributed to consumer preferences that prioritize personal experiences, the opinions of close acquaintances, or information obtained directly from physical retail outlets over online reviews. In some cases, skepticism towards e-WOM may arise from the prevalence of fake reviews or perceived promotional bias. Another contributing factor may be varying levels of digital literacy and media consumption preferences among consumers, which affect the extent to which they rely on e-WOM as a decision-making reference. Therefore, although e-WOM is widely regarded in theory as a powerful determinant of consumer behavior, its actual influence may be limited or context-dependent.

The Influence of Brand Image on Purchase Intention

The purpose of this study was to examine the influence of brand image on purchase intention, aiming to determine whether consumers' perceptions of a product's brand affect their willingness to make a purchase. The analysis revealed a significant effect, with a T-statistic of 3.013 and a p-value of 0.003 well below the standard significance threshold of 0.05. These results indicate that a more positive brand image significantly increases the likelihood of consumer purchase. A strong brand image enhances consumer trust in the quality, reliability, and reputation of a product or company. In such cases, consumers are motivated to purchase not only to fulfill functional needs but also to satisfy emotional and symbolic associations linked to the brand. Moreover, brand image plays a pivotal role in the consumer decision-making process, particularly in competitive markets where products often share similar features. Brands with a strong and consistent identity are more memorable and more likely to be selected than those lacking differentiation. Consumers frequently rely on brand image as a proxy for quality especially in situations where they face information asymmetry or lack prior experience with the product. As such, companies must strategically manage and enhance brand image through consistent marketing communication, exceptional customer service, and positive consumer experiences. Building a favorable brand image can significantly strengthen purchase intention and foster long-term customer loyalty.

The Influence of Celebrity Endorsement on Brand Image

The results of the analysis on the effect of celebrity endorsements on brand image demonstrate a positive and statistically significant relationship. The original sample value was 0.279, with a sample mean of 0.292 and a standard deviation of 0.075. The T-statistic was 3.735, and the corresponding p-value was 0.000, which is well below the significance threshold of 0.05. This indicates that the null hypothesis is rejected and the alternative hypothesis is accepted, confirming that celebrity endorsements have a positive and significant effect on brand image. In practical terms, the effective use of celebrities in promotional strategies can enhance consumers' positive perceptions of a brand. The greater the perceived quality, credibility, and relevance of the celebrity whether in terms of popularity, expertise, or personal appeal the stronger the favorable associations formed in consumers' minds regarding the endorsed product or brand.

This finding is consistent with marketing communication theory, particularly the "meaning transfer theory," which posits that celebrities can transfer aspects of their public persona to the brands they endorse. When a

celebrity's image aligns with the values and characteristics of the target market, the promotional message becomes more persuasive, thereby increasing consumer trust in the product. In an increasingly competitive brand environment, celebrity endorsements also serve as strategic differentiators by enhancing brand attractiveness, expanding market reach, and fostering emotional connections that can lead to stronger consumer loyalty. Therefore, companies should carefully select celebrities who not only possess widespread popularity but also resonate with the brand's identity and positioning, in order to maximize the positive impact on brand image.

The Influence of Price on Brand Image

In this study, the results of the analysis on the effect of price on brand image indicate that the relationship is statistically insignificant. This is evidenced by a T-statistic of 0.058, which is far below the critical value of 1.96, and a p-value of 0.954, which is well above the commonly accepted significance level of 0.05. Additionally, the original sample value of -0.006 and the sample mean of -0.007 suggest a very weak negative relationship. Collectively, these results indicate that price does not exert a significant influence on brand image formation in the context of this study. In other words, variations in consumer perceptions of price do not necessarily alter their views of the brand's image or reputation.

Several factors may explain this outcome. One possibility is that consumers in the studied population may not perceive price as a dominant cue in evaluating brand image or quality. Instead, they may place greater emphasis on other attributes such as product design, service quality, brand uniqueness, or emotional and social influences. Moreover, in certain product categories, lower prices may even generate negative brand perceptions due to associations with inferior quality, while higher prices do not automatically enhance brand image unless they are supported by perceived value and a compelling customer experience.

These findings suggest that pricing, while an important element of the marketing mix, should be strategically integrated with other components such as promotional efforts, product quality, and brand positioning to effectively build and sustain a strong brand image in consumers' minds.

The Influence of eWOM on Brand Image

The results of this study indicate that electronic word of mouth (e-WOM) does not have a statistically significant influence on brand image. This conclusion is supported by an original sample value of 0.146 and a sample mean of 0.152, suggesting a positive but very weak relationship. The standard deviation of 0.080 reflects considerable variability in the data. Additionally, the t-statistic of 1.831 falls below the critical threshold of 1.96, and the p-value of 0.067 exceeds the conventional significance level of 0.05. Consequently, at the 95% confidence level, there is insufficient statistical evidence to conclude that e-WOM has a direct effect on brand image. Although the direction of the relationship is positive indicating that higher levels of e-WOM might enhance brand image the effect is not statistically significant, leading to the rejection of the alternative hypothesis.

Several factors may explain this lack of significance. First, the quality, credibility, or relevance of the e-WOM content encountered by consumers may be inadequate to influence brand perceptions meaningfully. Second, brand image may be more strongly shaped by other, more dominant factors, such as direct consumer experience, product quality, advertising efforts, or overall public perception of the company. Moreover, in certain cultural contexts or market segments, the influence of e-WOM may be diminished, particularly where consumers place greater trust in personal recommendations or institutional sources of information over anonymous online reviews.

Therefore, while e-WOM is frequently regarded as a vital component of contemporary marketing communication, its actual impact on brand image may be contingent upon contextual factors, the perceived trustworthiness and relevance of the message, and the nature of consumer engagement with digital platforms.

Indirect Hypothesis Testing

The mediation analysis reveals that celebrity endorsement (X1) positively influences purchase intention (Y) through brand image (Z), with a T-statistic of 2.180 and a p-value of 0.029 both below the conventional significance threshold of 0.05. Similarly, price (X2) exerts an indirect effect via brand image, supported by a T-statistic of 2.369 and a p-value of 0.018. In contrast, electronic word-of-mouth (eWOM) does not show a significant mediating effect, as indicated by a T-statistic of 1.447 and a p-value of 0.148. These results suggest that brand image mediates the effects of celebrity endorsement and price on purchase intention, but not the effect of eWOM.

A more detailed analysis shows that celebrity endorsement influences purchase intention through both a direct path (p-value = 0.002) and an indirect path via brand image (p-value = 0.029), with both effects reaching statistical significance. This indicates that brand image plays a partial mediating role in the relationship between celebrity endorsement and purchase intention. In other words, while celebrity endorsement directly enhances consumers' purchase intentions, it also indirectly strengthens this intention by enhancing the brand's image.

The direct effect of eWOM on purchase intention is statistically significant (p-value = 0.000), while the indirect effect through brand image is not (p-value = 0.148). This finding confirms that brand image does not mediate the relationship between eWOM and purchase intention. Thus, the impact of eWOM on consumers' purchase decisions occurs directly, without the involvement of brand image as an intermediary.

In the case of price, the analysis shows both a significant direct effect on purchase intention (p-value = 0.002) and a significant indirect effect mediated by brand image (p-value = 0.018). This indicates that brand image mediates the relationship between price and purchase intention. In other words, price influences purchase decisions both directly and indirectly by shaping consumers' perceptions of the brand.

Conclusion

Based on the results of data analysis and hypothesis testing, it can be concluded that several variables significantly influence consumers' purchase intentions both directly and indirectly through brand image. First, celebrity endorsements have a significant direct effect on both purchase intention and brand image. Moreover, a strong brand image significantly enhances purchase intention, indicating that the use of celebrities in promotional strategies can simultaneously strengthen brand image and positively influence consumers' purchasing decisions.

Second, the variable price has a significant direct influence on purchase intention but does not significantly affect brand image. This suggests that consumers' perceptions of price are more closely associated with their purchase decisions rather than with the formation of brand image. Third, e-WOM has a highly significant direct influence on purchase intention but does not significantly impact brand image. This finding implies that electronically distributed information and reviews while effective in stimulating purchase intention—do not necessarily enhance consumers' perceptions of a brand's image.

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