The Influence of Celebrity Instagram Endorsement and Word of Mouth on Online Purchase Decisions with Brand Image as a Mediator

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ABSTRACT
This study explores the impact of celebrity Instagram endorsement and word of mouth on online purchase decisions, with brand image serving as a mediator. Utilizing Partial Least Squares (PLS) analysis, the research evaluates the direct and indirect effects of these influential factors. The measurement model, consisting of reflective indicators, undergoes assessment for validity and reliability through convergent validity, discriminant validity, and composite reliability. The discriminant validity test compares cross-loadings between blocks, confirming the validity of indicators. Composite reliability and Cronbach's alpha values demonstrate the reliability of the constructs. Path analysis and hypothesis testing validate the direct effects, emphasizing the significance of celebrity Instagram endorsement and word of mouth in shaping brand image and influencing online purchase decisions. Mediation analysis reveals that brand image acts as a partial mediator between endorsement and word of mouth, influencing online purchase decisions. This study contributes to understanding the dynamics of online consumer behavior, emphasizing the pivotal role of celebrity endorsement and word of mouth in shaping brand perception and driving e-commerce decisions.

INTRODUCTION
The pace of technological development in the world is advancing rapidly. All information can be accessed quickly and easily anytime, anywhere. Technological progress has also led to a shift in marketing strategies for businesses because traditional methods may no longer capture consumers' hearts. Therefore, the advancement of sophisticated technology is expected to benefit entrepreneurs in marketing their products (Purnama, 2020).
One notable technological shift is the change in media used for product marketing. In the past, traditional media such as print, magazines, and radio were common for product promotion. However, companies now often introduce their products through e-marketing or e-commerce platforms like Instagram, Twitter, Facebook, WhatsApp, websites, and more. These media are widely used by entrepreneurs today because of their enticing appeal. However, traditional television advertising still exists with limited expectations of attracting buyers.

According to data from Hootsuite.com (February 2022), Indonesia had a population of 274.9 million in January 2021, increasing by 2.9 million (+1.1%) from January 2020 to January 2021. The internet user population in Indonesia reached 202.6 million, showing a 27 million (+16%) increase from 2020. Internet penetration in Indonesia reached 73.7% in January 2021 (Santi, 2022).

The e-commerce market in Indonesia is currently experiencing significant growth. The development of e-commerce or online trading in Indonesia has increased dramatically in recent years. Based on data from Hootsuite.com (February 2022), the number of e-commerce users in Indonesia in 2021 reached 138.1 million, projected to increase to 212.2 million in 2023. About 88.1% of internet users in Indonesia used e-commerce services to buy specific products in recent months, making it the highest percentage globally according to a We Are Social survey in April 2021 (Santi, 2022).

Currently, with 202.6 million internet users in Indonesia, accounting for 73.7% penetration, and 3.4 million people or approximately 85% of the total population considered internet users (APJII, 2020), Bali shows high potential in leveraging technological advancements.

According to Diposumarto et al. (2015), online purchase decisions involve consumers considering two or more alternative choices. Foster (2017) defines online purchase decisions as a process where consumers decide to buy various products and brands, starting from recognizing needs, researching information, evaluating information, making a purchase, and then evaluating the decision after the purchase. Manufacturers are now required to be more careful and smart in marketing to influence online purchasing decisions for their products.

The decision to purchase a product is significantly influenced by the assessment of the brand’s image. In the decision-making process for fashion products, consumers often first look at the brand’s image (Putriani, 2015). According to Kotler and Armstrong (2018), brand image consists of beliefs about the brand. Hidayat and Setiawati’s study (2021) found that brand image has a positive and significant effect on online purchasing decisions. Rohman and Dewi (2019) state that the brand image built through the use of selebgram influences the brand image of the product. Besides these phenomena, there is a gap between previous studies; for instance, Suhailey and
Darmoyo (2017) found that brand image does not affect online purchasing decisions for Japanese electronic products. Nurhayati (2017) also stated that brand image does not significantly affect online purchasing decisions for Samsung mobile phones.

Online product shopping is invariably associated with word of mouth (WOM) information circulating in the surrounding environment. The effects of word of mouth, such as creating a desire to interact, economic incentives, consumer interest, and potential value enforcement, are essential factors (Jung & Cho, 2016). Yuliandi’s study (2021) found that word of mouth significantly influences online purchasing decisions. Jung and Cho (2016) discovered that in social commerce, word of mouth has a significant impact on customers' online purchasing decisions. Aisah (2018a) found that word of mouth plays a crucial role in enhancing online purchasing decisions supported by a positive brand image. Massie’s study (2016) found that word of mouth significantly influences online purchasing decisions for fashion products on Zalora Indonesia. However, a study by Yunita and Haryanto (2012) indicated that word of mouth does not have a significant influence on persuading someone to the point of making a purchase decision.

Currently, the development of endorsements is not limited to the use of celebrity endorsers but extends to the use of non-celebrity endorsers, such as influencers. Celebrity and non-celebrity endorsers each have their advantages and disadvantages. While celebrity endorsers may have more followers, the cost of endorsement is higher, and the product or service exposure in feeds is only temporary. On the other hand, non-celebrity endorsers have lower fees, longer exposure times, but significantly fewer followers, potentially limiting consumer reach (Rahayu, 2018). Influencer endorsements on Instagram are rapidly evolving with the emergence of endorsers from various social media, not just Instagram but also YouTube and other platforms. Endorsements by influencers on Instagram are considered more beneficial than marketing through television. With influencer assistance in promoting a product or service, there is a high assurance that their followers will trust and believe in the endorsed product or service's quality. Therefore, social media endorsements are highly recommended as a marketing strategy for the present and the future (Indriana et al., 2019).

Purchase decisions influenced by endorsers are due to the current internet development, allowing businesses to sell products online, enabling consumers to quickly access information about a product for consideration in their purchase decisions. Additionally, businesses can reach consumers globally in a short time. This motivates businesses to sell and market their products online (e-marketing). E-marketing is a company's effort to convey information, promote, and sell products and services using the internet (Kotler and Keller, 2008:153). Implementing effective online product marketing strategies positively shapes consumer attitudes and perceptions towards services, such as ease of finding a product, accurate product information, transaction ease and security, and good business responses to customer comments (Irawan, 2020). Positive consumer attitudes and perceptions will influence purchasing decisions or indirectly impact consumer purchasing decisions through marketing or promotions via social media (Irawan, 2020). Social media is utilized for creative business endeavors, expanding business networks, and promoting products quickly and easily to influence consumer purchasing decisions. One prevalent digital marketing activity is Instagram endorsement. The rise of digital or online marketing has introduced new marketing methods, leading many businesses that previously used conventional marketing to shift towards digital or online marketing, such as endorsements and product advertising through social media (Hardilawati, Binangkit, and Perdana, 2019).

The new phenomenon that has emerged is not limited to celebrities with a fantastic number of followers. Individuals with a substantial following due to creative content also have significant opportunities to earn money through Instagram, commonly known as "selebgram" (Instagram celebrities). One of the activities carried out by selebgrams is becoming the subject of endorsements. The current trend in social media endorsement is a form of collaboration between two parties for mutual benefit, often occurring between online shops and celebrities or selebgrams due to their large fan base. This collaboration proves beneficial in increasing sales for
both online shops and specific products and services (Hartini, 2016). Endorsements indirectly influence the followers on Instagram and contribute to brand awareness. As mentioned earlier, visual appeal is crucial for companies to influence consumer purchasing decisions. Therefore, companies must find ways to make their products visually appealing.

Hennayake (2017) explains that one way to influence consumer purchasing decisions through product appeal is by using endorsers. Endorsements can be utilized by businesses in the food and beverage industry to attract consumers visually, whether through photos or stories on social media. Businesses employing endorsement services, particularly those using selebgrams specializing in the fashion industry, undoubtedly have a significant impact on influencing individuals’ decisions to make a purchase (Hardilawati, Binangkit, and Perdana, 2019). The proper use of celebrities makes it easier for manufacturers to build a product image and effectively target consumers, thereby increasing their product sales in the market (Darmansyah et al., 2014). According to Terence A. Shimp (2006), an endorser is an advertising supporter, also known as a star in supporting advertising. There are two types of endorsers: celebrity endorsers and typical person endorsers. Both endorsers essentially have the same attributes and characteristics but differ in the use of a famous or non-famous figure in their advertising support. Companies must choose endorsers capable of delivering the desired advertising message to the target audience, ensuring that the message reaches consumers who can form opinions, and consumers will pass on these opinions according to their perceptions. Therefore, an increase in awareness is expected in determining purchasing decisions for the product.

Research conducted by Ikaningsih et al. (2017) states that if a product uses a famous celebrity with many fans, a positive brand image will be created in society because they assume that the celebrity has good taste and can represent consumer needs. Khan & Lodhi’s study (2016) states that endorsers (advertising stars) play a crucial role in enhancing purchasing decisions when endorsers provide a positive image to the target market effectively and have the attractiveness to influence consumers.

Based on the above description and the importance of brand image and word of mouth in influencing online purchasing decisions with the mediation of selebgram endorsements, the researcher writes "The Influence of Brand Image and Word Of Mouth on Online Purchasing Decisions with Selebgram Endorsement Mediation."

Based on the research objectives and issues, the formulation of the problem in this study is to determine and analyze the influence of selebgram endorsements on brand image. Additionally, to understand and analyze the influence of word of mouth on brand image. Finally, to determine and analyze the influence of selebgram endorsements on online purchasing decisions.

LITERATURE REVIEW

The Relationship between Selebgram Endorsement and Brand Image

Celebrities have the power to capture attention (stopping power). Celebrities can be used as a quick tool to represent targeted market segments (Royan, 2009:12). Selebgrams have a massive number of followers and consistently receive a large number of ‘likes’ for each uploaded photo (Atmoko, 2012). Followers on selebgram accounts are considered crucial for online shops because these followers are potential buyers, and consumers become familiar with the offered products through selebgrams. Based on the classification of these selebgrams, a crucial consideration for companies is the endorsers’ ability to communicate product specifications, review products, and demonstrate effective use of virtual effects that can influence consumer purchasing decisions. The use of celebrities as a means of communication is commonly employed in advertising and branding, assuming that celebrities have a strong impact on the supported brand (Muthohar and Triatmaja 2013). According to studies by Nelfiantio et al. (2021), Bonde et al. (2022), Gutara and Saputri (2021), and Marselina and Siregar (2017), selebgram endorsements significantly influence the improvement of the brand image of the offered products.
Based on the theory and previous journals, the hypothesis can be formulated as follows:

H1: Selebgram Endorsement has a positive and significant effect on brand image.

**The Relationship between Word of Mouth and Brand Image**

Consumers always consider the brand when making purchasing decisions, and the management and development of brand image are essential to generate positive consequences in purchasing decisions. Additionally, with the presence of word of mouth, the stimulus for purchasing becomes stronger (Rahmadevita, 2011). This is because recommendations from other customers are often considered more trustworthy than promotions from companies and can significantly influence others' decisions to use (or avoid) a product or service (Lovely et al., 2010:216).

Based on the statements above, the influence of word of mouth on brand image formation can be observed. Brand image is formed through information (communication) exchanged between a consumer and other consumers. This formed brand image will also affect consumers' purchasing decisions. According to the study by Sipahutar and Nugrahani (2021), word of mouth has a significant influence on brand image. Similarly, studies by Nabila (2016), Pramesti and Ranatha (2019), Qomariah (2020), Nafishah and Murniningsih (2020) found that word of mouth has a significant and positive effect on brand image.

Based on the theory and previous journals, the hypothesis can be formulated as follows:

H2: Word of Mouth has a positive and significant effect on brand image.

**The Relationship between Selebgram Endorsement and Online Purchasing Decisions**

The promotion process has experienced advancements, including creativity and innovation, especially with the rise of social media. Celebrity endorsements have become prevalent, with manufacturers advertising and promoting their products through specific celebrities or public figures. This phenomenon is attributed to the increasing popularity of online shopping, especially due to the Covid-19 pandemic, which has compelled people to shop from home. Consumers now seek reviews and testimonials before deciding to purchase a product or service. Celebrity endorsements by public figures have a significant impact on sales due to the trust established between consumers and their idols. Many consumers quickly trust products or services promoted by these influencers and promptly make purchasing decisions. The current slogan “The Power Of (Influencer's Name)” indicates the extent of purchases occurring due to the promotion or endorsement by specific public figures, and the figures are relatively significant. This, in turn, leads to purchasing decisions in e-commerce. According to research by Afandi et al. (2021), Pratiwiningsih (2018), Kurniawan (2020), Hartno and Santoso (2021), and Rohman and Dewi (2019), there is a significant influence between selebgram endorsements and online purchasing decisions.

Based on the theory and previous journals, the hypothesis can be formulated as follows:

H3: Selebgram Endorsement has a positive and significant effect on online purchasing decisions.

**The Relationship between Word of Mouth and Online Purchasing Decisions**

Online purchasing decisions are a crucial topic in understanding consumer behavior. Previous research indicates that word of mouth plays a role in shaping the online purchasing decision process for a consumer, and word of mouth, one of which is formed by the image associated with a brand (Albari & Safitri, 2018). According to Harrison-Walker (Wang et al., 2017), word of mouth is informal communication between a non-commercial communicator (not part of the company) and another person as the receiver about the perceived brand, product, organization, or service. Consumers often value opinions expressed directly to them. Marketers may spend millions of dollars on complexly crafted advertising campaigns, but what truly
influences consumers’ minds is often not only simple but also free: recommendations from mouth to mouth from trustworthy sources (Jacques et al., 2010). Word of mouth communication generally plays a significant role in influencing and shaping consumer attitudes and behavioral intentions (Jalilavand & Samiei, 2012).

There is a relationship between word of mouth and online purchasing decisions, consistent with research conducted by Pramesti and Ranatha (2019), which states that there is a relationship between word of mouth and consumer purchasing decisions. This result is supported by the studies conducted by Qomariah (2020), Nafisah and Murniningsih (2021), and Putra and Saputri (2020), which show that word of mouth has a positive and significant influence on online purchasing decisions.

Based on the theory and previous journals, the hypothesis can be formulated as follows:

H4: Word of Mouth has a positive and significant effect on online purchasing decisions.

The Relationship between Brand Image and Online Purchasing Decisions

The image of a brand plays a crucial role in influencing consumers to make purchases. Consumers with a positive image of a brand or its products are inclined to choose that brand (Tjiptono, 2005). According to Mramba (2015), the better the brand image, the more consumers acknowledge the quality of the product. Consumers typically make small online purchasing decisions when faced with several similar brands offering the same benefits. Therefore, brand image is often used as a factor in determining the online purchasing decisions for a product. Fransesca et al. (2016) state that the better the image of a brand, the higher the consumer purchasing rate and the greater the chance that the product will be bought by consumers. This is supported by research conducted by Atika and Iqbal (2012), showing that brand image has a positive and significant impact on online purchasing decisions for products. This study is also supported by research by Putra and Saputri (2020), Hartono and Santoso (2021), Zhang (2015), Tumewei and Ruslim (2015), Mramba (2015), Octaviona (2016), and Fransesca et al. (2016), all indicating that brand image has a positive and significant impact on purchasing decisions.

Based on the theory and previous journals, the hypothesis can be formulated as follows:

H5: Brand Image has a positive and significant effect on online purchasing decisions.

The Role of Brand Image in Mediating the Influence of Selebgram Endorsement on Online Purchasing Decisions

Shimp (2003:460) suggests that a celebrity endorser involves using celebrities as advertising stars in various media, ranging from print media to social media and television. The use of celebrities is expected to capture consumer attention and instill confidence in consumers because celebrities usually represent the characteristics of the product. Consumer perceptions of the product arise through the celebrities used. Perception is a process when individuals organize and interpret their sensory impressions to give meaning to their environment (Chalimah and Sakhowi, 2014).

If the celebrity used is attractive, able to explain the product’s advantages well, has many fans, and a positive image, then consumer perceptions of the product will be good, resulting in a positive brand image. A good brand image will make consumers more interested and confident in the product, leading to purchasing decisions.

To support the success of an advertisement, the use of selebgram endorsement must also be considered. Selebgram endorsement plays a crucial role in ensuring that messages conveyed in advertisements are well-received and on target. Several factors need attention in selecting a selebgram endorsement for an advertisement to ensure that the message aligns with the target audience, including age, physical attractiveness, the celebrity's ability to convey messages about the product, a positive image in the eyes of consumers, and the level of popularity of the celebrity.
If the celebrity endorser is better and has a positive image in the eyes of consumers, the brand image of the product will also be good. A better brand image will make consumers more confident and interested in the product, leading to purchasing decisions. As found in the research by Hartono and Santoso (2021), brand image can mediate the influence of selebgram endorsement on consumer purchasing decisions. Similarly, research by Kurniawan (2020) and Pratiwiningsih (2018) found that selebgram endorsement significantly influences purchasing decisions with brand image as a mediator.

Based on the theory and previous journals, the hypothesis can be formulated as follows:

H6: Brand Image mediates the influence of selebgram endorsement on online purchasing decisions.

The Role of Brand Image in Mediating the Influence of Word of Mouth on Online Purchasing Decisions

In general, consumers make purchases based on the intention to buy. A high buying intention reflects a high level of satisfaction for consumers when deciding to adopt a product (Kotler and Keller, 2009:81). This drives companies to strengthen their brand position so that it is consistently recommended by other consumers who have bought or consumed the product, known as word of mouth (WOM).

According to Widjaja (2016), word of mouth is an action where consumers provide information to other non-commercial consumers, both about brands, products, and services. Word of mouth can influence various conditions such as awareness, perception, attitude, intention, and behavior. This explains that word of mouth communication can affect conditions such as awareness, expectations, perception, attitude, desire, and behavior. The behavior mentioned here is consumer behavior in making a purchase, which starts with the consumer's intention toward a product or service (Eriza, 2017).

According to Pertiwi and Sukawati (2017), word of mouth arises from others describing their personal experiences, making the information much clearer than advertisements. Furthermore, Widjaja (2016) reveals that advertising only has a one-way interaction with customers, whereas WOM has a two-way interaction. Moreover, WOM is considered more objective because the information reaching potential customers does not come from the company, thus sometimes including the product's weaknesses that consumers can anticipate. Therefore, word of mouth communication becomes an effective promotional medium for companies to influence consumers to buy their products, as stated by Cynthiadewi and Hatammimi (2014), that word of mouth communication has a strong influence on consumer behavior.

Consumer purchasing decisions are related to word of mouth as the brand image of a company increases. Consumers tend to form a brand image or create an impression, an image about a brand, store, or company based on the inferences they form from marketing stimuli and environmental stimuli (Suparlan, 2012). Said (2016) states that brand image is a perception of a set of brand associations that form and stick in the minds or memories of consumers. Consumers consider the brand as a crucial factor when intending to purchase a product or service. This consideration is based on many aspects, both rational and emotional. Rationally, consumers believe that a particular brand can provide quality assurance. According to Prahardjo et al. (2016), a strong brand can determine better plans, visualizations, and expectations regarding the performance and quality of a product or service that consumers will obtain.

Consumer purchasing decisions today are evident in a person's attitude, as they tend to trust the opinions of others who have experience with a product rather than advertisements and media launched by companies (Laksmi and Oktafani, 2016). WOM, in this case, can have a strong influence on consumers who are interested in recommendations from people who have experience with the product, leading to consumer buying intentions (Ebrahimi and Tootooonkavan, 2014).
Several studies found that brand image can serve as a mediator in the influence of word of mouth on consumer purchasing decisions. Ardani (2018) found that brand image serves as a mediator between word of mouth and purchasing decisions. Similarly, research by Pramesti and Ranatha (2019) and Kurniawan (2020) found that brand image serves as a mediator between word of mouth and purchasing decisions.

Based on the theory and previous journals, the hypothesis can be formulated as follows:

H7: Brand Image mediates the influence of word of mouth on online purchasing decisions.

METHODS

Design and Scope of the Research

1. Research Design
   This study utilizes a quantitative design with a survey method. Quantitative research is conducted to investigate social or human issues by testing theories built on several variables, measured numerically, and analyzed using statistical procedures to ensure the predictive generalization of a theory. This research design analyzes online purchasing behavior using four variables: brand image, word of mouth, celebrity endorsement (selebgram), and online purchasing decisions. The exogenous constructs in this study are celebrity endorsement (X1) and word of mouth (X2). The endogenous constructs in this study are brand image (Y1) and online purchasing decisions (Y2). The analysis of this research employs both quantitative and qualitative analyses. The data collection process uses survey methods with a questionnaire as an instrument distributed through social media platforms such as WhatsApp and Instagram, using a Google Form link for data entry, which will later be connected to Google Drive as the data collection platform. The measurement tool used to assess variables in this study is the Likert scale. The sample selection (sampling) for this research is determined through purposive sampling, and the minimum sample size is determined based on statements from Hair et al. (2010).

2. Scope of the Research
   a. Research Location
      This study is conducted on consumers of Cloting Brand, considering that Denpasar is an appropriate area to observe consumer purchasing behavior to obtain an accurate and comprehensive picture of consumer purchasing behavior on the emerging e-commerce platform.
   b. Research Time
      The research is conducted in July 2022.

Population and Sample of the Research

This research is conducted on consumers of Cloting Brand. The sampling is determined through purposive sampling, a technique based on specific considerations making it suitable to be used as a sample (Sugiyono, 2015). The method involves the following criteria: 1) The population in this study is students in Denpasar aged 17 and above with their own income. 2) Active internet users, 3) actively engaging in online transactions, 4) consumers who purchase fashion products. The sampling consideration in this study is students in Denpasar who have made online fashion product purchases.

The determination of the minimum sample size in this study refers to Hair et al.’s statement (2010) that the number of samples as respondents must be adjusted to the number of indicator questions used in the questionnaire. There are 4 research variables with $3 + 4 + 3 + 3 = 13$ indicators. If the number of indicators $\times 10 = 13 \times 10 = 130$. Hence, the sample used is 130 people.
RESULTS

Inferential Analysis
Partial Least Squares (PLS) is employed to analyze the influence between exogenous variables and endogenous variables in this research. The PLS process in this study involves the following stages:

Measurement Model Evaluation (Outer Model)
Considering that the indicators forming latent variables in this research are reflective, the measurement model evaluation (outer model) is conducted to measure the validity and reliability of these indicators. This includes a) convergent validity, b) discriminant validity, and c) composite reliability and Cronbach's alpha. The measurement model is used because the indicators forming latent variables in this study are reflective.

1) Convergent Validity
Convergent validity is a criterion in assessing the validity of reflective indicators. This evaluation is carried out by examining the outer loading coefficients of each indicator on its latent variable. An indicator is considered valid if the outer loading coefficient is between 0.60 – 0.70. For analyses with unclear theoretical foundations, an outer loading of 0.50 is recommended (Ghozali & Latan, 2017), and it should be significant at the 0.05 alpha level or t-statistic 1.96. The outer loading values for each indicator on its latent variable are shown in Table 1.

Table 1 Outer Loading Values Before Model Reconstruction Estimation

<table>
<thead>
<tr>
<th></th>
<th>X1</th>
<th>X2</th>
<th>Y1</th>
<th>Y2</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1.1</td>
<td>0.865</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>X1.2</td>
<td>0.727</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>X1.3</td>
<td>0.897</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>X2.1</td>
<td></td>
<td>0.796</td>
<td></td>
<td></td>
</tr>
<tr>
<td>X2.2</td>
<td></td>
<td>0.783</td>
<td></td>
<td></td>
</tr>
<tr>
<td>X2.3</td>
<td></td>
<td>0.719</td>
<td></td>
<td></td>
</tr>
<tr>
<td>X2.4</td>
<td></td>
<td></td>
<td>0.817</td>
<td></td>
</tr>
<tr>
<td>Y1.1</td>
<td></td>
<td></td>
<td></td>
<td>0.708</td>
</tr>
<tr>
<td>Y1.2</td>
<td></td>
<td></td>
<td></td>
<td>0.915</td>
</tr>
<tr>
<td>Y1.3</td>
<td></td>
<td></td>
<td></td>
<td>0.820</td>
</tr>
<tr>
<td>Y2.1</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Y2.2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Y2.3</td>
<td></td>
<td></td>
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</tbody>
</table>

Source: Appendix 5

The calculation results regarding the outer loading values in Table 1 indicate that all indicators meet the validity requirements based on the discriminant validity criteria, i.e., outer loading values > 0.50 and statistically significant.

2) Discriminant Validity
The validity of indicators forming latent variables can also be assessed through discriminant validity by examining their cross-loadings. Discriminant validity can be achieved by comparing the index coefficients between blocks; a construct's indicators are considered valid if the index values of those indicators are greater than the values of other indicators within the same block (Ghozali & Latan, 2017).
Table 2 Discriminant Validity Test

<table>
<thead>
<tr>
<th></th>
<th>X1</th>
<th>X2</th>
<th>Y1</th>
<th>Y2</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1.1</td>
<td>0.865</td>
<td>0.286</td>
<td>0.277</td>
<td>0.480</td>
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<tr>
<td>X1.2</td>
<td>0.727</td>
<td>0.211</td>
<td>0.267</td>
<td>0.286</td>
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<tr>
<td>X1.3</td>
<td>0.897</td>
<td>0.480</td>
<td>0.386</td>
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<td>X2.1</td>
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<td>0.796</td>
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<td>0.404</td>
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<td>0.708</td>
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<td>Y1.2</td>
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<tr>
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<td>0.283</td>
<td>0.372</td>
<td>0.820</td>
<td>0.399</td>
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<td>Y2.1</td>
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<td>0.493</td>
<td>0.542</td>
<td>0.851</td>
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<tr>
<td>Y2.2</td>
<td>0.436</td>
<td>0.474</td>
<td>0.362</td>
<td>0.833</td>
</tr>
<tr>
<td>Y2.3</td>
<td>0.413</td>
<td>0.382</td>
<td>0.286</td>
<td>0.727</td>
</tr>
</tbody>
</table>

Source: Appendix 5

Table 2 shows that the cross-loading index values for each construct are greater than those of other constructs in each measurement block, indicating validity based on the discriminant validity criteria.

3) Composite Reliability and Cronbach's Alpha

A measurement can be considered reliable if composite reliability and Cronbach's alpha have values greater than 0.70. Composite reliability and Cronbach's alpha measure the reliability between blocks of indicators in the research model.

Table 3 Composite Reliability and Cronbach’s Alpha Test

<table>
<thead>
<tr>
<th></th>
<th>Cronbach’s Alpha</th>
<th>rho_A</th>
<th>Composite Reliability</th>
<th>Average Variance Extracted (AVE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1</td>
<td>0.783</td>
<td>0.840</td>
<td>0.871</td>
<td>0.694</td>
</tr>
<tr>
<td>X2</td>
<td>0.789</td>
<td>0.810</td>
<td>0.861</td>
<td>0.607</td>
</tr>
<tr>
<td>Y1</td>
<td>0.748</td>
<td>0.767</td>
<td>0.858</td>
<td>0.670</td>
</tr>
<tr>
<td>Y2</td>
<td>0.730</td>
<td>0.750</td>
<td>0.847</td>
<td>0.649</td>
</tr>
</tbody>
</table>

Source: Appendix 5

Table 3 indicates that the composite reliability values for each construct are greater than 0.70, while the Cronbach's alpha values for all constructs have index values greater than 0.60 and close to 0.70. This generally fulfills the reliability criteria based on composite reliability.

Evaluation of the Structural Model (Inner Model)

The evaluation of the Structural Model (Inner Model) is a measurement to assess the accuracy of the model in the overall research, formed through several variables along with their indicators. In the evaluation of this structural model, several approaches will be used, including: a) R-Square (R2), b) Q-Square Predictive Relevance (Q2), and c) Goodness of Fit (GoF).
1. Evaluation of the Structural Model through R-Square (R2)

R-Square (R2) indicates the strength or weakness of the influence exerted by the dependent variable on the independent variable. R-Square (R2) also reflects the strength or weakness of a research model. According to Chin (Ghozali & Latan, 2017), an R-Square (R2) value of 0.67 is considered a strong model, 0.33 is a moderate model, and 0.19 is a weak model.

<table>
<thead>
<tr>
<th></th>
<th>R Square</th>
<th>Adjusted R Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>Y1</td>
<td>0.215</td>
<td>0.203</td>
</tr>
<tr>
<td>Y2</td>
<td>0.491</td>
<td>0.479</td>
</tr>
</tbody>
</table>

Table 4 shows that the R2 value for purchasing decisions is 0.215. According to Chin's criteria (Ghozali & Latan, 2017), this model is considered weak, meaning that the variation in celebgram endorsement and Word of Mouth can explain the variation in brand image by 21.5%, with the remaining 78.5% explained by other variables outside the analyzed model. Similarly, the purchasing decision has an R-square value of 0.491, also classified as a weak model. This means that the variation in brand image can explain 49.1% of the variation in Word of Mouth, with the remaining 50.9% explained by factors outside the model.

2. Evaluation of the Structural Model through Q-Square Predictive Relevance (Q2)

Q-Square Predictive Relevance (Q2) measures how well observations provide results for the research model. Q-Square Predictive Relevance (Q2) values range from 0 (zero) to 1 (one). A value approaching 0 suggests a less effective research model, while moving away from 0 and approaching 1 indicates a better model. The criteria for the strength or weakness of the model based on Q-Square Predictive Relevance (Q2), according to (Ghozali & Latan, 2017), are as follows: 0.35 (strong model), 0.15 (moderate model), and 0.02 (weak model). The Q-Square formula is: 

\[ Q2 = 1 - (1 - R1^2)(1 - R2^2) \]

The Q-Square value is calculated as: 

\[ Q2 = 1 - (1 - 0.215^2)(1 - 0.491^2) = 1 - (1 - 0.044)(1 - 0.241) = 1 - 0.40 = 0.60 \]

Based on this result, the estimated model is considered strong, indicating that 60% of the variation in endogenous constructs can be predicted by the variation in exogenous constructs.

3. Evaluation of the Structural Model through Goodness of Fit (GoF)

Goodness of Fit (GoF) is a measurement of the overall accuracy of the model, as it is considered a single measurement combining outer model and inner model measurements. The value measured by Goodness of Fit (GoF) ranges from 0 (zero) to 1 (one). A value closer to 0 indicates a less effective model, while moving away from 0 and approaching 1 suggests a better model. The criteria for the strength or weakness of the model based on Goodness of Fit (GoF), according to (Ghozali & Latan, 2017), are as follows: 0.36 (large GoF), 0.25 (medium GoF), and 0.10 (small GoF). (Tenenhaus et al., 2004: 175). Using the GoF calculation with an R2 average of 0.491 and an average AVE of 0.649, the GoF value is 

\[ \sqrt{AR2 * A.Com/A.rho} = \sqrt{0.353*0.655} = \sqrt{0.231} = 0.481 \]

This means that the global model is large and predictive.

Path Analysis and Hypothesis Testing

The expected path analysis and hypothesis testing are to reject Ho or have a sig value < 0.05 (or a t-statistic value > 1.96 with a significance level of 0.05).
Table 5 Path Analysis and Statistical Testing

| Path          | Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | T Statistics (|O/STDEV|) | P Values |
|---------------|---------------------|-----------------|---------------------------|-----------------|----------|
| X1 -> Y1      | 0.257               | 0.263           | 0.086                     | 2.991           | 0.003    |
| X1 -> Y2      | 0.322               | 0.327           | 0.080                     | 4.013           | 0.000    |
| X2 -> Y1      | 0.294               | 0.299           | 0.106                     | 2.765           | 0.006    |
| X2 -> Y2      | 0.328               | 0.333           | 0.068                     | 4.844           | 0.000    |
| Y1 -> Y2      | 0.253               | 0.247           | 0.075                     | 3.381           | 0.001    |

Source: Appendix 5

Table 5 shows that:
1. Celebgram endorsement has a positive influence of 0.257 on brand image, and this relationship is significant at the 0.05 level because the T-Statistic value is greater than 1.96, namely 2.991.
2. Celebgram endorsement has a positive influence of 0.322 on purchasing decisions, and this relationship is significant at the 0.05 level because the T-Statistic value is greater than 1.96, namely 4.013.
3. Word of Mouth has a positive influence of 0.294 on brand image, and this relationship is significant at the 0.05 level with a t-value of 2.765.
4. Word of Mouth has a positive influence of 0.328 on purchasing decisions, and this relationship is significant at the 0.05 level with a t-value of 4.844.
5. Brand image has a positive influence of 0.253 on purchasing decisions, and this relationship is significant at the 0.05 level with a t-value of 3.381, greater than the critical T-table value of 1.96.

Mediation Role Test

The mediation influence analyzed includes direct and indirect effect analyses in this research using an examination method. The examination method involves conducting two analyses, namely an analysis involving the mediation variable and an analysis without involving the mediation variable. The examination of the mediation variable using a coefficient difference approach is conducted as follows: (a) examining the direct influence of the Independent Variable on the Dependent Variable in the model involving the mediation variable, (c) examining the influence of the Independent Variable on the Mediation Variable, and (d) examining the influence of the Mediation Variable on the Dependent Variable. If (c) and (d) are significant, and (a) is not significant, then the intervening variable is considered a perfect mediating variable (complete mediation). If (c) and (d) are significant, and (a) is also significant, then the intervening variable is considered a partially mediating variable. If (c) and (d) are significant, and (a) is also significant, then the intervening variable is considered full mediation. If either (c) or (d) or both are not significant, then it is considered not a mediating variable ((Solimun et al., 2017); (Hair, et al., 2010)).
Based on the calculation results, the mediation role test can be observed in Figures 3 and 4 below:

**Figure 2 Theoretical Mediation Role**

**Figure 3 Mediation Role of Brand Image on Celebgram Endorsement Towards Online Purchase Decisions (Indirect Effect)**

**Figure 4 Statistical Test of Mediation Role of Brand Image on Word of Mouth Towards Online Purchase Decisions (Indirect Effect)**

Based on figure 3 and figure 4, as well as statistical testing and bootstrapping, Brand Image is a partial mediation between celebgram endorsement and word of mouth towards online purchase decisions. This is because the influence of the independent variable on the dependent variable is significant, the influence of the independent variable on the mediation variable is significant, and the influence of the mediation variable on the dependent variable is also significant. Therefore, both hypothesis number 6 and hypothesis number 7 hold.

**DISCUSSION**

This research examines the influence of celebrity endorsement (celebgram) and word of mouth on online purchasing decisions with brand image as a mediator. The effects between research variables, both exogenous and endogenous, have been tested using the Partial Least

[Diagram of theoretical mediation role]
Square (PLS) method. Based on the data processing results outlined in the sub-chapter of the analysis, the discussion is presented as follows:

1. Influence of celebrity endorsement on brand image

The calculation results of celebrity endorsement on brand image indicate that celebrity endorsement has a positive and significant impact on brand image. The study suggests that the better the celebrity endorsement, the better the brand image in the eyes of consumers, and conversely, poor celebrity endorsement leads to a negative perception of the company’s image by consumers.

Celebrities have the power to capture attention (stopping power) and can be used as a quick tool to represent targeted market segments. Selebgrams, with a large number of followers and substantial engagement (likes) for each uploaded photo, are considered important for online shops. Followers on selebgram accounts are viewed as potential buyers, and consumers get to know the offered products through these celebrities. The study emphasizes the importance for companies to consider the endorsing celebrities’ ability to communicate product specifications, review products, and effectively use virtual effects to influence consumer purchasing decisions. The use of celebrities as a means of communication is widely used in advertising and branding, assuming that celebrities have a strong effect on the supported brand. The research supports previous studies indicating the significant impact of celebrity endorsements, such as those by Nelfiantio et al. (2021), Bonde et al. (2022), Gutara and Saputri (2021), and Marselina and Siregar (2017).

2. Influence of celebrity endorsement on purchasing decisions

The calculation results show that celebrity endorsement has a positive and significant impact on online purchasing decisions. A better celebrity endorsement increases consumer decisions, while a poor endorsement decreases consumer purchasing decisions. The current prevalence of celebrity endorsements is driven by the need for reviews and testimonials in the era of increased online shopping, particularly due to the Covid-19 pandemic. Consumers trust public figures or influencers, leading to quick purchasing decisions based on endorsements. The research aligns with previous studies by Afandi et al. (2021), Pratiwiningsih (2018), Kurniawan (2020), Hartno and Santoso (2021), Rohman and Dewi (2019), showing a significant impact of celebrity endorsements on online purchasing decisions.

3. Influence of word of mouth on brand image

The calculation results indicate that word of mouth has a positive and significant impact on brand image. A positive word of mouth increases the product's image, while negative word of mouth decreases the brand image. Consumers consider brand image when making purchasing decisions, and the management and development of brand image are crucial for positive consequences in purchasing decisions. Word of mouth, especially recommendations from other customers, is considered more trustworthy than company-originated promotions and significantly influences others’ decisions to use or avoid a product or service. The research supports findings by Sipahutar and Nugrahani (2021) and others, indicating a significant impact of word of mouth on brand image.

4. Influence of Word of Mouth on Purchasing Decisions

The calculation results of word of mouth on purchasing decisions indicate that word of mouth has a positive and significant impact on purchasing decisions. The research results suggest that the more a brand receives word of mouth, the higher the online purchasing decisions, and conversely, the less word of mouth for a brand, the lower the purchasing decisions.

Purchasing decisions are a crucial topic in understanding consumer behavior. The definition of purchasing decisions is buying the preferred brand from various available alternatives, providing an initial framework for further research to develop this theory (Permadi, et al., 2014). Previous studies have shown that word of mouth plays a role in shaping a consumer’s purchasing decision process, and word of mouth, one of which is formed by the image associated with a brand (Albari & Safitri, 2018). There is a relationship between brand image,
word of mouth, and purchasing decisions, consistent with the study by Permadi et al. (2014), stating a relationship between brand image and consumer purchasing decisions mediated by word of mouth.

Word of Mouth becomes the most powerful medium in communicating a brand from a product or service to two or more consumers. Word of Mouth among consumers occurs naturally and honestly, making the marketing message generated much better and more effective than other media. Word of Mouth is communication that produces positive conversations. Individuals inquire about the quality of a product or service before deciding to purchase or consume it. Therefore, Word of Mouth can influence a person's purchasing decision in deciding (Andy, 2009). Promotion strategies in marketing activities that use "person to person" who is satisfied to increase product awareness and generate certain sales levels. Word of mouth communication spreads through business, social, and community networks, considered highly influential in consumer purchasing through online media.

This research aligns with studies conducted by (Qomariah, 2020), Nafisah and Murniningsih (2021), and Putra and Saputri (2020), showing that word of mouth has a positive and significant impact on online purchasing decisions.

5. Influence of Brand Image on Online Purchasing Decisions

The calculation results of brand image on online purchasing decisions indicate that brand image has a positive and significant impact on online purchasing decisions. The research results suggest that the better the brand image, the higher the purchasing decisions, and conversely, the worse the brand image, the lower the online purchasing decisions.

The image of a brand plays a crucial role in influencing consumers to make purchases. Consumers with a positive image of a brand or product tend to choose that brand (Tjiptono, 2005). According to Mramba (2015), the better the brand image, the more consumers acknowledge the quality of the product. Consumers usually make small purchasing decisions when there are several similar brands offering the same benefits. Therefore, brand image is often used as one of the factors in deciding the purchase of a product. According to Fransesca et al. (2016), the better the image of a brand, the higher the level of consumer purchases, and the greater the chance that the product will be purchased by consumers. In the context of online purchasing, if an e-commerce platform offers many products with a good brand image, consumers will recognize the brand image of that e-commerce platform. This is reflected in increased revenue and many users using the e-commerce platform for online purchases.

These results are consistent with research conducted by Putra and Saputri (2020), Hartono and Santoso (2021), Zhang (2015), Tumewei and Ruslim (2015), Mramba (2015), Octaviona (2016), and Fransesca et al. (2016), indicating that brand image has a positive and significant impact on purchasing decisions.

6. The Role of Brand Image in Mediating the Relationship Between Celebrity Endorsement and Purchasing Decisions

Based on the research results, it is known that the meaning of the brand serves as partial mediation between celebrity endorsement and online purchasing decisions. The mediating role is to identify and explain the mechanisms or processes underlying the relationship between independent variables and dependent variables through the involvement of a third hypothetical variable, known as the mediator variable. Thus, the mediator variable functions to clarify the nature of the relationship between independent and dependent variables. In other words, brand image partially explains why celebrity endorsement influences online purchasing decisions; the remaining part is explained by variables not included in the model.

Brand image here acts as partial mediation or often referred to as partial mediation. The mediating variable contributes some of the relationships between independent and dependent variables. Partial mediation implies that there is not only a significant relationship between the mediator and the dependent variable, but also some direct relationships between independent and dependent variables.
A good celebrity endorsement will result in a positive brand image. If a brand has a positive image, consumers will give positive reviews based on their experiences with the brand on the online platforms provided. These reviews can be read by other potential consumers, leading to online purchasing decisions by consumers for products from a brand that has received positive reviews from previous consumers. This proves that brand image, celebrity endorsement, and online purchasing decisions are interconnected. This statement aligns with the research conducted by Hartono and Santoso (2021), finding that brand image can mediate the influence of celebrity endorsement on consumer purchasing decisions. Similarly, research by Kurniawan (2020) and Pratiwiningsih (2018) found that celebrity endorsement has a significant impact on purchasing decisions with brand image as a mediator.

7. The Role of Brand Image in Mediating the Relationship Between Word of Mouth and Purchasing Decisions

Based on the research results, it is known that the meaning of the brand serves as partial mediation between word of mouth and online purchasing decisions. The mediating role is to identify and explain the mechanisms or processes underlying the relationship between independent variables and dependent variables through the involvement of a third hypothetical variable, known as the mediator variable. Thus, the mediator variable functions to clarify the nature of the relationship between independent and dependent variables. In other words, brand image partially explains why word of mouth influences online purchasing decisions; the remaining part is explained by variables not included in the model.

Brand image here acts as partial mediation or often referred to as partial mediation. The mediating variable contributes some of the relationships between independent and dependent variables. Partial mediation implies that there is not only a significant relationship between the mediator and the dependent variable, but also some direct relationships between independent and dependent variables.

Consumer purchasing decisions are related to word of mouth as brand image increases. Consumers tend to form a brand image or create an impression, making an image of a brand, store, or company based on the inferences they form from marketing stimuli and environmental stimuli (Suparlan, 2012). Said (2016) states that brand image is the perception of a set of brand associations that form and stick in the minds or memories of consumers. Consumers consider a brand as an important consideration when deciding to purchase a product or service. This consideration is based on many aspects, both rational and emotional. Rationally, consumers believe that a particular brand can provide quality assurance. According to Prahardjo et al. (2016), a strong brand can determine better plans, visualizations, and expectations for the performance and quality of a product or service that consumers will obtain.

Consumer purchasing decisions today are evidenced by the attitude of individuals who tend to trust the opinions of others with experience with a product more than advertisements and media launched by companies (Laksmi and Oktafani, 2016). Word of Mouth (WOM) in this context can have a strong influence on the perception of brand image and consumer considerations for a product, ultimately affecting consumers in making decisions to purchase or use a product or service (Gunawan et al., 2016). Brands that have established themselves in the hearts of customers will lead to continued purchases. Word of mouth communication significantly impacts consumers interested in recommendations from individuals with experience with a particular product, influencing consumer purchase intentions (Ebrahimii and Tootoonkavan, 2014).

The findings of this study support research conducted by Ardani (2018), who found that brand image serves as a mediator in the influence of word of mouth on purchasing decisions. Similarly, studies by Pramesti and Ranatha (2019) and Kurniawan (2020) found that brand image acts as a mediator in the influence of word of mouth on purchasing decisions.
CONCLUSION

Based on the description and results of the research analysis, the following conclusions and recommendations can be presented:

1. Celebrity endorsement (selebgram) has a positive and significant influence on brand image, indicating that the better the celebrity endorsement, the higher the brand image of the product will be.
2. Word of mouth has a positive and significant impact on brand image, meaning that a better celebrity endorsement leads to an increase in the brand image of the product.
3. Celebrity endorsement has a positive and significant impact on brand image, indicating that the better the word of mouth about the product, the higher the brand image will be.
4. Word of mouth has a positive and significant impact on purchasing decisions, meaning that a better word of mouth will lead to an increase in consumer decisions.
5. Brand image has a positive and significant impact on purchasing decisions, indicating that a better word of mouth will lead to an increase in consumer decisions.
6. Brand image serves as a mediating variable connecting celebrity endorsement with online purchasing decisions. Brand image is a partial mediator between celebrity endorsement and online purchasing decisions. This is evidenced by the significant path coefficients from celebrity endorsement to brand image and from brand image to purchasing decisions. It can be stated that the role of brand image is a partial mediation in the influence of celebrity endorsement on purchasing decisions.
7. Brand image serves as a mediating variable connecting word of mouth with online purchasing decisions. Brand image is a partial mediator between word of mouth and online purchasing decisions. This is evidenced by the significant path coefficients from word of mouth to brand image and from brand image to purchasing decisions. It can be stated that the role of brand image is a partial mediation in the influence of word of mouth on purchasing decisions.

Recommendations or Limitation

1. For Online Fashion Companies
   a. Brand Image: Improve indicators below average standards, such as memorable brand and good brand reputation. Utilize digital marketing to create a unique brand and provide quality services to build a good reputation.
   b. Word of Mouth: Enhance information trustworthiness by improving service quality, leading to positive reviews and a good reputation. Positive word of mouth facilitates brand marketing.
   c. Online Purchase Decision: Although overall performance is good, enhance the indicator of willingness to buy in the near future through effective digital marketing strategies.

2. For Future Researchers
   Conduct further research by adding alternative constructs influencing purchasing decisions, such as price and lifestyle. Expand the study to include diverse subjects beyond students in Denpasar to ensure more valid data.

Please note that the translation may not capture the nuance and details of the original text entirely.

REFERENCES


Ni Kadek Aprina Jayanti; The Influence of Celebrity Instagram Endorsement...


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