The mediating role of customer loyalty on the effect of celebrity endorsement to impulse buying behavior

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ARTICLE INFORMATION

ABSTRACT

Consumer behavior in purchasing products can be influenced by various internal and external factors. Both these factors can encourage individuals to purchase a product suddenly or unplanned in advance. The factors that allegedly influence consumers’ impulse buying are celebrity endorsements and customer loyalty. This study analyzes the effect of celebrity endorsements on impulse buying behavior by mediating customer loyalty. This research used Lazada’s e-commerce service in Yogyakarta with a total of 80 respondents. The data obtained were then processed using the Smart PLS application in the form of validity, reliability, and direct and indirect hypothesis tests. Based on the results of the data processing, it can be concluded that the four research hypotheses are accepted. Celebrity endorsements have been shown to have a positive effect on impulse buying behavior, celebrity endorsements have been shown to have a positive effect on customer loyalty, customer loyalty has a positive effect on impulse buying behavior, and customer loyalty has been shown to mediate celebrity endorsement relationships and impulse buying behavior.

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Keywords
Customer Loyalty;
Celebrity Endorsement;
Impulse Buying Behavior.

1. Introduction

Various multinational companies have understood how consumers respond to marketing activities, particularly advertising. Most multinational companies face the challenge of not being able to reach consumers thoroughly and effectively. With the passage of time and the development of technology, traditional advertising promotion media such as broadcasts, newspapers, and magazines have been replaced by electronic media to carry out the promotion process (Stafford & Faber, 2015).
Celebrity endorsements are considered the most effective marketing technique and strategy to increase consumer appeal (Adnan et al., 2018). The application of celebrity endorsements in the field of advertising has a positive impact on the company because it can be capital for companies to compete competitively over a product and become a differentiator or even a marker of the product itself.

Promotion is the most important aspect to pay attention to because of limited financial support and the simultaneous introduction of products with certain personalities and characteristics (Choi et al., 2016). Additionally, the application of celebrity endorsements as a promotional medium aims to increase consumer interest and introduce products to consumers. Along with the rapid development of promotional media, the application of celebrity endorsements as part of a promotional strategy benefits the company.

Celebrity endorsements are the most effective promotional media in the field of marketing. According to Han and Yazdanifard (2015), celebrities cooperate with a product’s brand, and both parties create and strengthen each other's equity and brand image of the product. Empirical evidence suggests that beneficial brand recognition is partly due to the implementation of appropriate celebrity endorsements (McCormick, 2016). Choosing the right celebrity endorser is a surefire strategy to face competitive competition and distinguish it from other competitors (Erdogan, 1999).

Tandon et al. (2017) argue that visual engagement is important to pay attention to because it affects customer loyalty. A visual design that meets customer expectations and preferences can trigger positive emotions, increase satisfaction, and build long-term loyalty. Srivastava and Kaul (2016) proved that customers’ positive attitudes towards a brand or service become the basis for building long-term relationships. Customers with positive attitudes tend to have a high level of loyalty. Molinillo et al. (2020) explain that customers with loyalty attitudes towards e-commerce platforms tend to spend more time there, and engage in the online shopping experience. Customer loyalty not only creates high engagement with e-commerce platforms but also increases the likelihood of impulse purchases. Gulfraz et al. (2022) found that customers with high levels of loyalty to e-commerce platforms are more likely to make impulse purchases online. This attitude loyalty creates a strong emotional connection with e-commerce platforms, encouraging customers to make thoughtless purchase decisions.

Lazada is a digital-based e-commerce platform that aims to bring together producers, sellers, and consumers in one application container. In 2023, Lazada’s e-commerce will occupy the third position with the highest number of users in Indonesia, below Shopee in first place and Tokopedia in second. Then, based on the National Socioeconomic Survey conducted by the Central Statistics Agency in 2022, it shows that Yogyakarta occupies the first position as an area with the population as sellers and, at the same time, the region with the largest number of residents as buyers from the survey conducted. Based on the survey results, it can be concluded that residents in the Yogyakarta area have a high dependence on e-commerce platforms for buying and selling transactions.

Further research on impulsive buying behavior is interesting because previous research that specifically chose Yogyakarta as a sampling area was still minimal or rarely conducted. Previous research discussing impulsive buying behavior chose sampling regions, such as Malaysia (Adnan & Osman, 2022), the Philippines (Bañaeres et al., 2020), and Thailand (Sritanakorn & Nuangjamnong, 2021). Another similar study chose e-commerce platforms other than Lazada (Gulfraz et al., 2022; Wang et al., 2022). Based on this explanation, researchers are interested in conducting further research on impulsive buying behavior by selecting respondents from Lazada e-commerce users in Yogyakarta.
2. Literature Review and Hypothesis Development

2.1. Literature Review

2.1.1. Celebrity Endorsement

Celebrity endorsement is a marketing technique that uses the services of people who have a great attraction or influence (Osei-Frimpong et al., 2019). Celebrity endorsement is an effective marketing technique because some consumers follow and make celebrities their fashion role in using or consuming a product. Belch and Belch (2013) explain that consumers are more easily influenced by someone who is admired, or in this case, a celebrity, thus giving an advantage to the company because it is able to attract more consumer interest.

2.1.2. Impulsive Buying Behavior

According to Verhagen and Van Dolen (2011), impulsive buying is perceived as the urge experienced by a person to buy a product suddenly or without reason to buy the product. The impulse is out of control, and the consumer is unaware of the consequences of the behavior, so the decision-making process to buy is very short and spontaneous (Faber & Vohs, 2012). Impulse buying behavior has been described as uncontrollable buying outside of the general buying activity (Aruna & Santhi, 2015).

2.1.3. Customer Loyalty

Over the past few decades, customer loyalty has gained significant attention in marketing literature (Haghighah et al., 2013). Retaining consumers is much harder than getting them. Söderlund (2006) states that customer loyalty refers to a consistent relationship between customers and manufacturers over time for a particular brand. Loyalty is viewed as a competitive advantage. Increasing and maintaining customer loyalty requires companies to provide dynamic consumer needs (Lee et al., 2003).

2.2. Hypothesis Development

2.2.1. The Positive Effect of Celebrity Endorsement on Customer Loyalty

Consumer loyalty has attracted much attention because it is considered a means of building relationships with customers (Pedeliento et al., 2016). Celebrity endorsement is considered to help brand recognition and build a positive attitude towards the promoted brand (Ding et al., 2011). Many consumers want to follow the lifestyle of celebrities as role models to emulate and imitate their behavior (Alsmadi, 2006). To maintain their position in the market, companies are constantly seeking ways to increase customer loyalty (Withers et al., 2018). Marketing strategies, such as celebrity endorsements, are used by companies to promote their products. This study supports and is in line with previous studies from Audi et al. (2015) and Onyancha (2016) which showed that celebrity endorsements have a significant effect on customer loyalty.

H₁: Positive Effect of Celebrity Endorsement on Customer Loyalty

2.2.2. The Positive Effect of Customer Loyalty on Impulsive Buying Behavior

Research on consumer behavior has shown that attitudes and behaviors are interconnected (Chen et al., 2021). Consumer attitudes towards certain objects, such as e-commerce platforms, are strongly influenced by their behavior (Ajzen, 1991). However, other researchers have explained that the relationship between attitudes and behavior is indirect and can change under different conditions (Kimiaiari & Asadi Malafe, 2021). Therefore, consumers may exhibit negative behavior, despite having a positive attitude (Chen et al., 2021). Nonetheless, consumers with a positive attitude
towards a particular object have higher loyalty (Srivastava & Kaul, 2016). These consumers generally show a greater degree of dependence and do not look for alternatives, culminating in impulsive buying behavior (Russell-Bennett et al., 2007). Consumer loyalty is evidenced by consumers’ willingness to purchase one object in the long run (Molinillo et al., 2020), thereby increasing their potential to make impulse purchases (Hoffman & Novak, 1996).

**H₂: Positive Effect of Customer Loyalty on Impulsive Buying Behavior**

2.2.3. The Positive Effect of Celebrity Endorsement on Impulsive Buying Behavior

Kang et al. (2019) stated that someone with qualified attractiveness and marketing skills can have a positive impact on the company, while endorsement by someone who is less trustworthy or has minimal marketing skills will have a negative impact on the company. Elberse and Verleun (2012) showed that celebrities have an important impact on consumer behavior. Celebrity credibility significantly encourages consumers' positive attitudes towards a product and ultimately affects their purchase intentions (Teng et al., 2020). Research by Parmar et al. (2020) and Chen et al. (2022) proves that the application of celebrity endorsement can increase impulsive buying behavior.

**H₃: Positive Effect of Celebrity Endorsement on Impulsive Buying Behavior**

2.2.4. The Mediating Role of Customer Loyalty on The Effect of Celebrity Endorsement to Impulsive Buying Behavior

According to Baniya (2017), celebrity endorsements significantly impact consumers’ impulsive behavior. Belief in the credibility of celebrity endorsements boosts customer acceptance of a product, which in turn inspires personal confidence and motivates impulsive purchasing. Because celebrity endorsements are highly appealing and attract customer attention, they have a significant effect on them. Customers believe that celebrity endorsements affect purchasing decisions (Gupta & Verma, 2020). Celebrity endorsement fosters brand loyalty by raising customer knowledge of the brand and instilling a favorable perception of it in their thoughts (Sharma & Kumar, 2013). According to Rindfleisch et al. (2009), consumers’ materialistic tendencies and concerns about a product are the reasons behind their brand loyalty. There is a correlation between impulsive purchasing and loyalty (Reeves et al., 2012). Because they feel dependent on the brand, devoted customers make rash purchases in an attempt to provide themselves with a sense of stability and comfort (Chaplin et al., 2014).

**H₄: Customer Loyalty Mediated the Effect of Celebrity Endorsement to Impulsive Buying Behavior**

2.3. Research Framework

Figure 1 illustrates the framework of this study. Based on these images, this study analyzes the influence of customer loyalty as a mediator of the influence of celebrity endorsement on impulsive buying behavior. Celebrity endorsements are thought to have a positive influence on customer loyalty and impulsive buying behavior, and customer loyalty is also thought to have a positive influence on impulsive buying behavior.
3. Research Method

3.1. Population and Sampling Method

The population in this study is e-commerce users of the Lazada site in Yogyakarta, the number of which is not known with certainty. The sampling method used in this study was accidental sampling because the population size was not known with certainty. Accidental sampling is the ease of reading population sampling and is mostly used by marketers or newspaper researchers. This method has the same advantages and disadvantages as quota sampling and is not guided by clear characteristics (Etikan, 2017). Based on this explanation, the sample size of this study was 80.

3.2. Data Collecting Method

This study used questionnaires as a tool to obtain data from the respondents. The questionnaire is given to respondents directly and contains several statement indicators that represent each research variable. Each statement indicator was measured using a five-point Likert scale which consists of five scoring points. The celebrity endorsement (CE) variable indicator was adopted from Shimp and Andrews (2013), the customer loyalty (CL) variable indicator from Cuesta-Valiño et al. (2021), and the impulsive buying behavior (IBB) variable indicator from Mittal et al. (2018).

3.3. Data Analysis Method

3.3.1. Validity Test

Validity tests in Smart PLS were assessed based on the loading factor of the indicators that measure the construct (Hair et al., 2014). Thus, the higher the value of the loading factor, the more important the role of loading in interpreting the factor matrix. If an indicator's loading factor value is less than 0.6, it can be eliminated from the research model. If it is greater than 0.6, it is considered good (Hair et al., 2014).

3.3.2. Reliability Test

Reliability tests in Smart PLS can be assessed using two methods: Cronbach’s alpha and composite reliability. Cronbach’s alpha measures the lower bound of the reliability value of a construct while composite reliability measures the true value of the reliability of a construct (Chin et al., 1997). The rule of thumb alpha value or composite reliability must be greater than 0.7, although the value of 0.6 is still acceptable (Hair et al., 2014).

3.3.3. Hypothesis Test

The hypothesis tests in Smart PLS can be assessed based on the p value of each research hypothesis. This study consists of two hypotheses: direct and indirect. The direct hypothesis directly explains the relationship between two variables, while the indirect hypothesis in this study is a mediation hypothesis, in which there is a
mediating variable between two other variables. The rule of thumb p value must be greater than 0.05 to be acceptable (Chin, 2013).

4. Result and Discussion
4.1. Validity Test

Table 1 displays the results of the validity test processing, which was assessed based on the loading factor value. If an indicator's loading factor value is less than 0.6, it can be eliminated from the research model. If it is more than 0.6, it is considered good (Hair et al., 2014). Based on the results of the validity testing, there are four indicators with a loading factor value of less than 0.6, and these indicators must be removed. These invalid indicators were CE 1, IBB 4, IBB 5, and IBB 6. Figure 2 shows the results of the measurement model used in this study.

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Celebrity Endorsement</th>
<th>Customer Loyalty</th>
<th>Impulsive Buying Behavior</th>
</tr>
</thead>
<tbody>
<tr>
<td>CE 2</td>
<td>0.844</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CE 3</td>
<td>0.737</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CE 4</td>
<td>0.833</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CE 5</td>
<td>0.837</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CE 6</td>
<td>0.838</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CL 1</td>
<td></td>
<td>0.775</td>
<td></td>
</tr>
<tr>
<td>CL 2</td>
<td></td>
<td>0.829</td>
<td></td>
</tr>
<tr>
<td>CL 3</td>
<td></td>
<td>0.878</td>
<td></td>
</tr>
<tr>
<td>CL 4</td>
<td></td>
<td>0.821</td>
<td></td>
</tr>
<tr>
<td>IBB 1</td>
<td></td>
<td></td>
<td>0.758</td>
</tr>
<tr>
<td>IBB 2</td>
<td></td>
<td></td>
<td>0.828</td>
</tr>
<tr>
<td>IBB 3</td>
<td></td>
<td></td>
<td>0.842</td>
</tr>
<tr>
<td>IBB 7</td>
<td></td>
<td></td>
<td>0.824</td>
</tr>
</tbody>
</table>

Source: Primary Data Processed (2023)

Figure 2. Measurement Model
4.2. Reliability Test
Table 2 shows the results of reliability testing. The rule of thumb alpha value or composite reliability must be greater than 0.7 even though a value of 0.6 is still acceptable (Hair et al., 2014). Based on these results, it can be concluded that the three variables used in this study were reliable.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach’s Alpha</th>
<th>Composite Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Celebrity Endorsement</td>
<td>0.879</td>
<td>0.905</td>
</tr>
<tr>
<td>Customer Loyalty</td>
<td>0.845</td>
<td>0.849</td>
</tr>
<tr>
<td>Impulsive Buying Behavior</td>
<td>0.830</td>
<td>0.834</td>
</tr>
</tbody>
</table>

Source: Primary Data Processed (2023)

4.3. Hypothesis Test
Table 3 shows the results of direct and indirect hypothesis testing using Smart PLS bootstrapping. The rule of thumb p value must be greater than 0.05 to be acceptable (Chin, 2013). Based on these results, it can be seen that celebrity endorsement has a positive effect on customer loyalty (first hypothesis accepted), customer loyalty has a positive effect on impulsive buying behavior (second hypothesis accepted), celebrity endorsement has a positive effect on impulsive buying behavior (third hypothesis accepted), and customer loyalty is proven to mediate the influence of celebrity endorsement on impulsive buying behavior (fourth hypothesis accepted).

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Original Sample</th>
<th>Sample Mean</th>
<th>Standard Deviation</th>
<th>T Statistic</th>
<th>P Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Celebrity Endorsement → Customer Loyalty</td>
<td>0.589</td>
<td>0.600</td>
<td>0.091</td>
<td>6.441</td>
<td>0.000</td>
</tr>
<tr>
<td>Customer Loyalty → Impulsive Buying Behavior</td>
<td>0.750</td>
<td>0.748</td>
<td>0.081</td>
<td>9.230</td>
<td>0.000</td>
</tr>
<tr>
<td>Celebrity Endorsement → Impulsive Buying Behavior</td>
<td>0.492</td>
<td>0.503</td>
<td>0.105</td>
<td>4.669</td>
<td>0.000</td>
</tr>
<tr>
<td>Celebrity Endorsement → Customer Loyalty → Impulsive Buying Behavior</td>
<td>0.442</td>
<td>0.447</td>
<td>0.079</td>
<td>5.591</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Source: Primary Data Processed (2023)

4.4. Discussion
4.4.1. The Effect of Celebrity Endorsement on Customer Loyalty
Celebrity endorsement has a great impact on consumers because it has a high appeal and attracts their attention. Consumers perceive celebrity endorsements as influencing their decision to consume (Gupta & Verma, 2020). Celebrity endorsement helps increase brand awareness and create a positive image of the brand in the minds of consumers, thus engendering loyalty (Sharma & Kumar, 2013). Many big brands use celebrity endorsements to promote their products, enhance brand image, and encourage consumer loyalty. Marketing strategies such as celebrity endorsements are used by the company to promote its products.
4.4.2. The Effect of Customer Loyalty on Impulsive Buying Behavior

Consumers with impulsive buying behavior have an emotional attachment to the brand (Horváth & van Birgelen, 2015). Rindfleisch et al. (2009) argue that consumer loyalty to a particular brand is due to their materialistic nature and anxiety about the product. Loyalty attitudes and impulsive buying behavior are correlated (Reeves et al., 2012). Loyal consumers engage in impulsive buying to provide a sense of comfort and security because of their sense of dependence (Chaplin et al., 2014). Recently, Kaufmann et al. (2016) proved that consumers with loyalty to a product tend to buy the brand impulsively. If a product can be promoted well and attractively, then consumers will be very loyal to the product and increase their tendency to buy impulsively (Kessous et al., 2015).

4.4.3. The Effect of Celebrity Endorsement on Impulsive Buying Behavior

The importance of celebrity endorsements in the promotion process has gained recognition in modern marketing. Thus, trust in endorsers is a major component that appeals to consumers. Celebrity endorsements play an important role in increasing impulsive consumer behavior (Baniya, 2017). Trust in celebrity endorsements increases product acceptance, thereby evoking individual feelings of confidence and encouraging consumers to engage in impulse buying behavior. Munjal (2020) research proves that celebrity endorsements influence individuals’ IBB. The involvement of celebrities in promotional activities can build relationships between consumers and products offered, thereby stimulating consumers’ impulse buying actions (Chung & Cho, 2017). In addition, Djafarova and Rushworth (2017) say that the majority of consumers buy products under the influence of trust, in this case are celebrities they know.

4.4.4. The Mediating Role of Customer Loyalty on The Effect of Celebrity Endorsement to Impulsive Buying Behavior

Based on the results of indirect hypothesis testing, customer loyalty mediates the influence of celebrity endorsement on impulsive buying behavior. These findings demonstrate that celebrity endorsements have the power to boost consumer loyalty to a product or service, in this case, Lazada’s e-commerce service, and to induce impulsive purchasing behavior in those who use it. According to Ding et al. (2011), celebrity endorsements are thought to aid brand identification and foster a favorable attitude toward the marketed brand. Numerous consumers aspire to copy and even mimic the lifestyles of celebrities, viewing them as role models (Alsmadi, 2006). Companies are always searching for methods to boost consumer loyalty to maintain their market position (Withers et al., 2018). However, customers with a favorable opinion of a certain product are more loyal (Srivastava & Kaul, 2016). These customers typically exhibit higher levels of reliance and fail to explore alternatives, leading to impulsive purchasing (Russell-Bennett et al., 2007).

5. Conclusion

Based on the results of the calculations previously described, all hypotheses in this study have proven to be accepted, both the direct and indirect (mediation hypotheses) hypotheses. Celebrity endorsements have a positive influence on customer loyalty, customer loyalty has a positive influence on impulsive buying behavior, celebrity endorsements have a positive influence on impulsive buying behavior, and customer loyalty mediates the influence of celebrity endorsements on impulsive buying behavior. This study certainly has shortcomings; therefore, for future researchers, it is recommended that they use other variables that are thought to also play a role as factors that affect the level of impulsive buying.
behavior of a consumer. These factors include psychological and functional dimensions of customer shopping experience (Zhao et al., 2022; Pereira et al., 2023) and attitude loyalty (Gulfratz et al., 2022; Li et al., 2023) and perceived ease of use. The next researcher could also use different e-commerce objects, as already used in this study.

References


Salamatun et al. (The mediating role of customer loyalty on the effect of celebrity endorsement to ...)


