

EVALUATING THE IMPACT OF CELEBRITY ENDORSERS AND COUNTRY OF ORIGIN ON CONSUMER PURCHASE DECISIONS

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Abstract

This study aims to evaluate the impact of Country of Origin (COO) and celebrity endorsement on consumer purchase decisions, focusing on Innisfree skincare products among students at Universitas Muhammadiyah Purwokerto. A quantitative research approach using Structural Equation Modeling (SEM) was employed, with data collected from 294 respondents. The findings reveal that COO significantly influences purchase decisions, where the perception of the country of origin, particularly South Korea, enhances consumer trust and perceived product quality. On the other hand, celebrity endorsement was found to have no significant impact on purchase decisions, although there is potential for improvement with better alignment between the celebrity and the brand. The interaction between COO and celebrity endorsement strengthens brand perception, particularly among young consumers who are influenced by digital media. This study provides insights into the importance of COO in marketing strategies for skincare products, while celebrity endorsement serves as an additional factor that can increase brand attractiveness.

Keywords : *Country of Origin, celebrity endorsement, purchase decision, Innisfree, marketing strategy.*

1. INTRODUCTION

Consumer purchase decisions are shaped by a range of dynamic factors, from personal preferences to cultural and social influences, especially in rapidly evolving industries like skincare. As consumers increasingly prioritize quality, authenticity, and lifestyle alignment in their skincare choices, brands are seeking ways to stand out through effective marketing strategies that resonate with these values. The skincare industry, driven by trends in health, beauty, and self-care, has become particularly competitive, with brands vying to capture attention and build trust. Understanding which factors most impact consumer preferences is crucial for skincare brands looking to strengthen their appeal and establish lasting connections in the global marketplace.

The impact of Country of Origin (COO) on consumer perceptions in the skincare and cosmetics industry, particularly regarding Korean brands like Innisfree, has garnered significant academic attention. The COO effect is a well-documented phenomenon that influences consumer attitudes, perceived product quality, brand trust, and ultimately purchase decisions. This synthesis explores how COO shapes these perceptions within the context of Korean skincare products.

Research indicates that COO significantly affects consumer evaluations and purchasing behavior. For instance, Bartosik-Purgat highlights that COO and brand image are pivotal in shaping consumer buying attitudes, suggesting that the COO effect is closely linked to the perceived quality of products from specific countries [1]. This is particularly relevant for Korean skincare brands, which have cultivated a strong global image associated with high quality and

innovation. Magnusson et al. further elaborate on this by stating that perceived COO information can substantially influence product evaluations, reinforcing the notion that consumers often associate certain countries with specific quality attributes [2]. This is especially true for Korean cosmetics, which are often perceived as superior due to their association with advanced skincare technology and cultural trends.

Additionally, the influence of COO on purchase intentions is evident in studies focusing on Korean cosmetics. For instance, Augusta et al. found that COO image, along with brand familiarity and information-seeking behavior, positively impacts purchase intentions among consumers [3]. This suggests that consumers are not only influenced by the inherent quality associated with the COO but also by their familiarity with the brand and their proactive efforts to seek out information about it. This aligns with the findings of Lee et al., who concluded that perceived quality is a significant determinant of purchase intention, emphasizing the importance of COO in shaping consumer perceptions [4].

Furthermore, the role of celebrity endorsements in enhancing the COO effect cannot be overlooked. Research indicates that celebrity endorsements can amplify the COO effect by aligning the brand with positive attributes associated with the celebrity's image and the country of origin [5]. This is particularly relevant in the context of Korean skincare brands, where K-pop idols and celebrities often serve as brand ambassadors, thereby enhancing brand visibility and consumer trust [6]. The congruence between the celebrity's image and the brand can further strengthen consumer perceptions, leading to increased purchase intentions.

The role of celebrity endorsers in the skincare industry, particularly for brands like Innisfree, has been the subject of various empirical studies that highlight how celebrity endorsements can drive brand awareness, credibility, and purchase intentions among young consumers. The effectiveness of these endorsements is often contingent upon the alignment between the celebrity's image and the brand's identity, as well as the resonance with the target demographic, particularly students.

Research by Mamun et al. demonstrates that celebrity endorsements significantly influence consumer attitudes, purchase intentions, and the willingness to pay premium prices for skincare products, particularly those marketed as environmentally friendly [7]. This study underscores the importance of the celebrity's personality and public image in shaping consumer perceptions, suggesting that a well-chosen endorser can enhance the effectiveness of marketing campaigns in the skincare sector.

Further supporting this notion, Singh et al. found that celebrity endorsements serve as a crucial marketing tool that drives consumer purchase intentions through digital media platforms [8]. Their findings indicate that the indirect effects of celebrity endorsements on purchase intent are significant, especially when integrated with digital marketing strategies. This is particularly relevant for brands like Innisfree, which leverage social media to connect with younger audiences, enhancing brand visibility and engagement.

The congruence between the celebrity endorser and the brand is also critical for the effectiveness of endorsements. Choi and Rifon highlight that the perceived fit between a celebrity's image and the consumer's ideal self can significantly impact endorsement effectiveness [9]. This congruence is particularly vital for skincare brands targeting young consumers, as it fosters a sense of relatability and trust, which are essential for influencing purchase decisions.

Moreover, the study by Um and Kim explores how negative information about a celebrity can affect consumer perceptions and purchase intentions. They found that the congruence between the celebrity's negative image and the brand can moderate consumer evaluations, indicating that a strong alignment between the endorser and the brand can mitigate potential

negative impacts [10]. This suggests that brands must carefully select endorsers whose public personas align closely with their brand values to maintain consumer trust.

The combined influence of Country of Origin (COO) and celebrity endorsement on consumer purchase decisions in the skincare sector, particularly for brands like Innisfree, is an area of growing interest in marketing research. Empirical studies suggest that the synergistic effect of COO and celebrity endorsement can significantly shape brand image and purchase intentions, especially among younger demographics such as university students.

One notable study by Mamun et al. explores the significance of celebrity endorsement in the context of green skincare products. The findings indicate that celebrity endorsers can substantially influence consumer attitudes and purchase intentions, particularly when the products are associated with positive attributes like environmental sustainability [7]. This aligns with the notion that the COO effect enhances the perceived quality of products, especially when they are linked to countries renowned for skincare innovation, such as South Korea. The study emphasizes that the combination of a celebrity's image and the COO can create a compelling narrative that resonates with consumers, driving their purchase decisions.

Singh et al. further support this idea by demonstrating that celebrity endorsements, particularly through digital media, significantly impact consumer purchase intentions [8]. Their research highlights the role of COO as a mediating factor in the effectiveness of celebrity endorsements. When a celebrity endorses a product from a country known for high-quality skincare, such as Korea, it can enhance the perceived credibility of the product, thereby increasing purchase intentions among young consumers. This is particularly relevant for brands like Innisfree, which leverage both celebrity endorsements and their Korean heritage to appeal to a youthful audience.

The study by Roy and Bagdare also emphasizes the importance of COO in celebrity endorsements, suggesting that the effectiveness of such endorsements is heightened when the celebrity's origin aligns with the brand's COO [5]. This congruence not only enhances brand credibility but also fosters a stronger emotional connection with consumers, particularly those in the university demographic who may identify with the celebrity's image and lifestyle. The research indicates that when consumers perceive a strong association between the celebrity and the brand's origin, it positively influences their purchase intentions.

The interaction between Country of Origin (COO) and celebrity endorsement in influencing purchase decisions, particularly in the skincare industry, remains an underexplored area in marketing research. Several studies indicate a gap in understanding how these two factors jointly impact young consumers' decisions to purchase Korean skincare brands, such as Innisfree. For instance, Mamun et al. highlight the significance of celebrity endorsement in shaping consumer attitudes and purchase intentions in the skincare sector. However, they do not specifically address how COO interacts with celebrity endorsements to influence these outcomes, particularly among younger demographics [7]. This suggests a need for further research that integrates both COO and celebrity endorsement to provide a more comprehensive understanding of their combined effects on consumer behavior.

Similarly, Singh et al. emphasize the role of digital media marketing and celebrity endorsements in driving purchase intentions but do not explore how these endorsements might be enhanced or moderated by the COO effect, especially for products from countries like South Korea, which are known for their skincare innovations [11]. This indicates a gap in the literature regarding the synergistic effects of COO and celebrity endorsements on young consumers' purchase decisions.

While there is a growing body of literature on COO and celebrity endorsements, there remains a significant gap in understanding how these factors jointly influence purchase decisions in the skincare industry, particularly among young consumers in emerging markets. Despite extensive research on how individual factors like Country of Origin (COO) and celebrity endorsers influence consumer behavior, there is limited understanding of their combined impact on purchase decisions, particularly within the skincare industry and among young consumers in emerging markets. This study addresses this gap by investigating how the interplay between COO and celebrity endorsement shapes purchase decisions, focusing specifically on Innisfree skincare products and using university students from Universitas Muhammadiyah Purwokerto (UMP) as respondents to provide deeper insights into consumer behavior in this competitive sector.

2. RESEARCH METHODE

This study uses a qualitative research approach to investigate the influence of Country of Origin (COO) and celebrity endorsement on purchase decisions among university students. Data were collected through a structured questionnaire distributed to students at Universitas Muhammadiyah Purwokerto (UMP), resulting in responses from 294 participants.

The minimum sample size was determined using the "10 times rule" by Hair et al., which recommends a minimum sample size of ten times the number of indicators in the most complex construct. In this study, the COO variable consists of 7 indicators, the celebrity endorser variable has 5 indicators, and the purchase decision variable has 8 indicators, leading to a minimum sample requirement of 200 respondents (10×20 indicators). With a sample size of 200, the study meets this threshold, ensuring sufficient data for analysis.

Data analysis was conducted using Structural Equation Modeling (SEM) with the SmartPLS software, which enables the examination of relationships between latent variables and the assessment of the measurement model. This approach provides robust insights into how COO and celebrity endorsement interact to influence purchase decisions in the skincare industry.

3. RESULT AND DISCUSSION

3.1.Result

The measurement model was evaluated to ensure the reliability and validity of the constructs. According to [12], indicators with nonsignificant weights should be eliminated if their loadings are also nonsignificant. Additionally, a low but significant loading below 0.50 should be considered for deletion unless strong theoretical support exists for its inclusion. In this study, items with factor loadings below 0.50 were systematically removed from the measurement model to achieve acceptable thresholds for both factor loadings and the Average Variance Extracted (AVE). Consequently, one item from the purchase decision construct was dropped due to its low loading value (Table I).

The composite reliability of the constructs, as measured by Rho_A , was assessed based on the criteria set by Dijkstra and Henseler (2015), which recommends a threshold value of >0.70 . In this study, Rho_A values ranged from 0.856 to 0.873, indicating strong internal consistency and achieving composite reliability. Furthermore, the factor loadings for all retained indicators were above 0.50, meeting the criteria for convergent validity [12].

The AVE values, ranging from 0.565 to 0.602, confirmed convergent validity, while the composite reliability values exceeded the threshold of 0.70, as shown in Table I. Discriminant validity was also established for all three constructs of the study, as evidenced in Table II. Following the guidelines by [13] and [12], the square root of the AVE for each latent construct was higher than its correlations with other latent constructs, ensuring satisfactory discriminant validity.

Table 1. Construct Reliability and Validity

<i>Variable</i>	<i>Indicator</i>	<i>Loading factor running</i>	<i>CA</i>	<i>rho-A</i>	<i>CR</i>	<i>AVE</i>
Country Of Origin (X1) [14]	<i>Country of Origin</i>		0,868	0,869	0,901	0,602
	<i>Inovative</i>	0,787				
	<i>Advance Tehnology</i>	0,769				
	<i>Design Competitive</i>	0,802				
	<i>Creative</i>	0,777				
	<i>High Quality</i>	0,730				
	<i>Prestigious</i>	0,787				
	<i>Country Image</i>	Del				
	<i>Celebrity Endorser</i>		0,837	0,854	0,883	0,603
	<i>Trustworthiness</i>	0,819				
Celebrity Endorser (X2) [15]	<i>Expertise</i>	0,817				
	<i>Physical Attractiveness</i>	0,789				
	<i>Respect</i>	0,716				
	<i>Similiarity</i>	0,734				
Keputusan	<i>Identification</i>	0,752				

Pembelian (Y)		0,788
[16]	<i>Attention</i>	0,815
		0,784
	<i>Communication</i>	0,738
		Del
	<i>Impact on attitudes</i>	Del
		Del

Table 2. Discriminant Validity

	Celebrity Endorser	Country of Origin	Purchase Decision
Celebrity Endorser	0,776		
Country of Origin	0,745	0,776	
Purchase Decision	0,563	0,650	0,776

3.2. Structural Model

To assess collinearity, we examined the **Variance Inflation Factor (VIF)** values for all constructs. As recommended by [17]) and VIF values below 3 are considered ideal. Our analysis on Table 3 confirmed that all VIF values were well below this threshold, indicating no collinearity issues in the model.

Subsequently, the **path coefficients** were tested to evaluate the relationships between constructs. The results revealed that the influence of **celebrity endorser** on **purchase decision** was 0.177, with a p-value of 0.357 ($p > 0.05$), indicating a non-significant relationship, leading to the rejection of the corresponding hypothesis. The effect size ($f^2=0.025$) is small, suggesting that Celebrity Endorser has a minimal contribution to explaining the variance in Purchase Decision. In contrast, the influence of **country of origin** on **purchase decision** was 0.518, with a p-value of 0.005 ($p < 0.05$), indicating a significant relationship, thereby supporting the corresponding hypothesis. Additionally, the effect size ($f^2=0.212$) is moderate, suggesting that Country of Origin has a meaningful contribution to explaining the variance in Purchase Decision.

Additionally, a 95% confidence interval (CI) was calculated for each path coefficient to provide further insights. As shown in Table III, the 95% CI for the effect of **celebrity endorser** on **purchase decision** ranged from -0.176 to 0.553. This suggests that if efforts are made to improve the celebrity endorser variable, its potential influence on enhancing purchase decisions could increase to a maximum of 0.553. Similarly, the 95% CI for the effect of **country of origin**

on **purchase decision** ranged from 0.140 to 0.847, indicating that an improvement in the country of origin variable could lead to a maximum impact of 0.847 on purchase decisions.

The explained variance R^2 for Purchase Decision is 0.436, meaning that 43.6% of the variance in Purchase Decision is jointly explained by Country of Origin and Celebrity Endorser.

	Predictor	Path/Hypothesis	Coefficient	T statistic	P value	PCI	Sig?	VI F	f^2	Explained variance
Purchase Decision ($R^2=0,436$)	Celebrity Endorser	H1: Celebrity Endorser>Purchase Decision	0,177	0,926	0,354	(-0,187, 0,542)	no	2,248	0,025	0,436
Purchase Decision ($R^2=0,436$)	Country of Origin	H2: Country of Origin>Purchase Decision	0,518	2,820	0,005	(0,142, 0,855)	yes	2,248	0,212	0,436

The predictive accuracy of the model was assessed using the **PLS Predict** procedure, comparing the **Mean Absolute Error (MAE)** values of the PLS model with a linear regression (LM) benchmark. As shown in Table IV, the MAE values for the PLS model were lower than those of the LM model across all indicators (y1.1 to y1.5), with differences ranging from -0.003 to -0.026. This suggests that the PLS model provides superior predictive accuracy. Furthermore, the $Q^2_{Predict}$ values for all indicators were positive (ranging from 0.136 to 0.270), confirming the predictive relevance of the model (Shmueli et al., 2016). These results demonstrate that the PLS model outperforms the LM model in terms of out-of-sample predictive performance.

Table 3. PLSpredict Results Based on Assessing MAE Values.

	PLS RESULT		LM RESULT	
	MAE	$Q^2_{predict}$	MAE	MAEpls-MAElm
y1.1	0,505	0,270	0,509	-0,003
y1.2	0,544	0,203	0,546	-0,003
y1.3	0,473	0,227	0,499	-0,026

y1.4	0,532	0,222	0,557	-0,025
y1.5	0,545	0,136	0,551	-0,006

4. CONCLUSION

Kesimpulan berisi rangkuman singkat atas hasil penelitian dan pembahasan. Disarankan memuat kebaruan hasil penelitian. Saran termasuk dapat disampaikan pada bagian ini [Times New Roman, 12, normal].

This study examines the impact of Country of Origin (COO) and celebrity endorsement on consumer purchase decisions, focusing on Innisfree skincare products among students at Universitas Muhammadiyah Purwokerto. The findings show that COO significantly influences purchase decisions, where consumers' perceptions of the product's country of origin, such as South Korea, play an important role in shaping their views on quality and purchase intentions. This emphasizes that a strong country image can be a competitive advantage in attracting consumer interest in the skincare market.

On the other hand, the influence of celebrity endorsement on purchase decisions was found to be insignificant, although there is potential to enhance its effectiveness by improving the alignment between the celebrity and the brand. The interaction between COO and celebrity endorsement shows the ability to strengthen brand perception, especially among young consumers who are heavily influenced by digital media and social trends. Using Structural Equation Modeling (SEM), it was found that 43.6% of the variance in purchase decisions could be explained by these two factors, with COO contributing more. This study suggests that brands should prioritize COO-based strategies while selecting celebrities who truly reflect the brand's values to improve marketing effectiveness.

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