

The Effect of Influencer Credibility on Purchase Intention with Customer Engagement as a Mediator

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ABSTRACT

This research aims to examine the influence of influencer credibility on purchase intentions, with customer involvement as a mediator. In the context of digital marketing, influencers have an important role in influencing consumer purchasing decisions through social media. Influencer credibility, which includes expertise, trustworthiness, and attractiveness, is considered a key factor that can increase consumer purchase intentions. However, customer engagement as an interactive mediator between influencers and customers is also hypothesized to have a significant impact on strengthening the relationship. This research uses the PLS-SEM method with primary data collected through a survey with a questionnaire distributed to social media users who follow influencers with a sample of 125 respondents. The research results show that Expertise and Trustworthiness have a positive direct impact on Purchase Intention with respective effects of 20.8% and 19.5%. This means that expertise and confidence can stimulate consumer interest in purchasing products or services without relying on the product's attractiveness. The moderating variable Consumer's Engagement also has no influence on trustworthiness, expertise, and attractiveness on purchase intention. These findings provide important implications for digital marketing strategies, namely the importance of paying attention to the Expertise and Trustworthiness of influencers to encourage increased purchase intentions.

Keywords: Digital marketing, Influencer, Purchase intentions.

1. INTRODUCTION

Digitalization is increasingly developing with social media platforms becoming an important component in producing content and sharing material resources within social networks. The use of social media is increasing and facilitating users to exchange information more quickly and practically without any restrictions (Purwianti & Dila, 2021). The use of social media can be used as a process in improving product image marketing and product promotion through endorsers which is seen as an appropriate marketing strategy for consumer segmentation (Nugroho et al., 2022). The role of influencers is one of the figures who play a very important role in creating a product or brand identity. This influencer engagement has proven to be more effective than involving conventional celebrities, with around 93% of marketers currently utilizing influencers in their marketing campaigns. Annual income from the influencer sector even reaches almost US\$10 billion (InfluencerMarketingHub, 2022). Leveraging influencers in marketing strategies involves the contribution of influencers in helping brands influence customer purchasing interest through communication efforts. Even so, the key indicator of success still lies in the level of credibility of the influencer who has a very important role in providing a positive impact on their followers (De Veirman et al., 2017).

This phenomenon reflects that the rapid growth of influencer marketing cannot be denied. Due to the increasingly young generation being influenced by the continuity of social media and the existence of other influencers, this makes them pursue career opportunities as influencers. The phrase "influencer marketing" refers to a type of marketing in which collaboration occurs between brands and influencers to advance their business (Sokolova & Kefi, 2020). Influencers exist in almost all sectors, such as health, fashion and beauty, food, and high-tech (Raggatt et al., 2018). Social media has had a changing impact on a company in communicating and providing information to consumers (Parsons & Lepkowska-White, 2018). Nowadays, social media is widely used to build strong relationships between consumers and brands (Panigyrakis, Panopoulos, & Koronaki, 2020). With the existence of Social Media Influencers (SMI), it is hoped that it can increase consumer interest in buying promoted products and also increase brand awareness of these products because SMI has an attractive appearance to promote products. Because, when a product has high brand awareness, this can have a significant and good impact on consumer purchasing decisions.

One of the phenomena that is currently trending is competition in promoting local products. The local products in question refer to brands or products that originate from within the country or are made by the community in general.

In Indonesia, local brands are experiencing positive development and growth. Especially after the pandemic, where many limitations turned into opportunities for local entrepreneurs to develop their businesses. Starting from Micro, Small, and Medium Enterprises (MSMEs), to business actors who market their own products. There are various kinds of products being marketed today, ranging from food, and household appliances, to clothing. As we have often seen, Indonesian people, who previously enjoyed consuming products from abroad, are starting to switch to consuming local products. Previously, the view towards local brands was not very good. Many consumers believe that global or international products are always superior (Febriani & Dewi, 2019).

Based on data from the Central Statistics Agency (BPS) 2021, shows that local brands have helped increase economic growth in Indonesia. This is proven by economic growth of 1.67% which rose to 1.71% thanks to an increase in purchases of domestic products to reach IDR 400 trillion. Apart from that, the growth of local brands can also be seen in various industrial sectors, including the fashion industry. The Executive, is one of the local brands that is currently able to compete with the global market. According to Harto (2023), MSMEs or business actors have extraordinary opportunities to maximize their business performance by utilizing technology and social media that currently exist.

The aim of this research is to examine the competitiveness of local brands in Indonesia against international brands. Apart from that, this research aims to look at opportunities for market access for local brands in promoting their products. This research targets active users of social media platforms, namely Instagram. Which, these people follow local brand influencers who have been determined by researchers with a sample of 125 respondents using a purposive sampling method. The reason why the social media platform used is Instagram is because compared to other social media, Instagram is the social media platform that is most popular with the majority of people. Then, based on research from Wiraputra et.al (2023), the main advantage of this Instagram platform lies in its emphasis on visual elements, which are very popular with Generation Y and Generation Z and are considered more practical and easy to use.

2. RESEARCH METHOD

2.1. Research Variables

This research focuses on three key variables. The independent variable, work compensation (X), represents the rewards provided by the company to employees, which contribute to job satisfaction, motivation, and ultimately influence both organizational culture and employee performance (Hasibuan, 2016). The mediating variable, organizational culture (Z), consists of the values, norms, and work practices that influence employee behavior and drive motivation, thereby strengthening the impact of compensation and training on performance (Schein, 2017). On the other hand, employee performance (Y) is dependent variable, reflects the level of effectiveness and productivity demonstrated by employees in achieving organizational objectives, which is shaped by factors such as compensation, training, and the prevailing organizational culture.

2.1. Research Variable Framework and Hypothesis

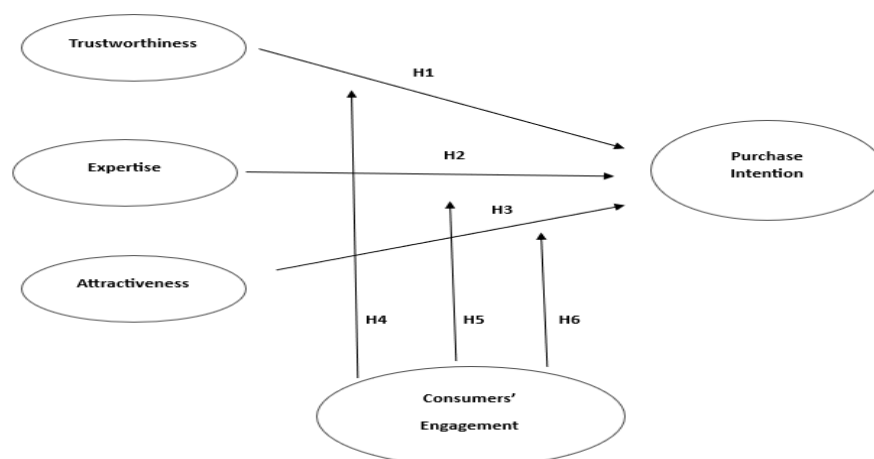


Figure 1 Conceptual Framework

The hypotheses developed in this research are as follows:

- H1: Trustworthiness has a positive influence on purchase intention.
- H2: Expertise has a positive influence on purchase intention.
- H3: Attractiveness has a positive influence on purchase intention.
- H4: Consumers' Engagement has an influence on trustworthiness on purchase intention.
- H5: Consumers' Engagement has an influence on expertise on purchase intention.
- H6: Consumers' Engagement has an influence on attractiveness on purchase intention.

2.2. Data Method

In this research, the variables studied are consumer engagement, influencer trustworthiness credibility, influencer expertise credibility, influencer attractiveness credibility, and consumer buying interest. These things will later become important elements to research so that we can answer the research problems in this research. The sample size in this study was based on the recommendations of Hair et al. (2019), with a sample size of 125 respondents in this study. Data was collected through questionnaires designed to measure influencer credibility (trustworthiness, expertise, and attractiveness), and consumer involvement in user purchasing interest in products promoted by influencers. In determining the analysis method, the researcher chose to use PLS-SEM by observing variables, namely credibility, trustworthiness, the credibility of expertise, the credibility of attractiveness, Consumers Engagement, and Purchase Intention. This research will use SmartPLS software.

3. RESULT AND DISCUSSION

In research conducted, verification of data reliability is needed to ensure the level of reliability of an item. This is done by evaluating the reliability or internal consistency value, convergent construct validity, and latent construct discriminant validity. This internal consistency value can measure how well the items in a construct correlate with each other or whether the statements measure the same aspect or reflect the homogeneity of the statement items. One method commonly used to measure internal consistency is Cronbach's Alpha. A measurement item is said to be reliable if it has an alpha coefficient value greater than the requirement, namely 0.6 (Malhotra, 1996). Convergent construct validity has the aim of being a step in knowing the validity of each relationship between indicators and their constructs or latent variables. The results of evaluating convergent construct validity values were carried out by conducting correlation tests between question items. If a construct has a relatively strong correlation value, then this indicates that all the items measure the same construct. The discriminant validity test value has the function of measuring how far a construct is different from other constructs. Establishing discriminant validity, means that a construct is unique and captures phenomena that are not represented by other constructs that are not in the model. Correlation values between different constructs are examined in order to assess discriminant validity. Low correlation between constructs means that they are distinguishable from one another. Every item that satisfies the criteria has a high level of reliability, with Cronbach's alpha values higher than 0.6.

In evaluating the measurement model in Table 1, it can be seen that each structure has a Cronbach's Alpha value that exceeds the specified limit value, namely 0.6, and is relatively close to 0.9. Therefore, this output shows that the overall level of reliability in each construct is very high. Then the Composite Reliability (CR) value has a value ranging from 0.894 to 0.924, far exceeding the limit value of 0.70 (Hair et al., 2019), which shows a high level of process reliability. All instruments in the research can be interpreted as valid and have significant value in all parts of the research design, so they can be said to be freely consistent. Average Variance Extracted (AVE) is a measure of how much variance from the indicators is extracted by the variables formed in this research. This AVE can also be used in the process of taking measurements to assess convergent validity. Convergent validity is used as a measure of the level of correlation between several indicators of the same construct that agree. The AVE value in Table 1's model evaluation measurements is higher than the ideal cutoff point of 0.50. Furthermore, all item outer loading values are higher than the optimal value of 0.6 (Hair et al., 2019) and the Composite Reliability (CR) is higher than 0.70, indicating a notable convergent validity for the structure. The correlation between variables or constructs and the square root of the Average Variance Extracted (AVE) are compared as part of the Fornell-Lacker Criterion validity test. The AVE square root value of each latent variable must be greater than the correlation between other latent variables so that the prediction has a good AVE value. Because the diagonal value, which is the root of AVE, is greater than the row and column values, which are correlations between constructs, the discriminant validity requirements for each construct have been met, as shown by the results of the PLS-SEM analysis shown in Table 2.

Table 1 Evaluation of Measurement Model

Variable	All Item	Reliability Indicator Outer Loading (>0.6)	Convergent Validity AVE (>0.5)	Consistent Reliability	
				Composite Reliability (>0.7)	Cronbach's Alpha (>0.6)
Trustworthiness	TR1	0.821	0.751	0.924	0.890
	TR2	0.884			
	TR3	0.866			
	TR4	0.894			
Expertise	EXP1	0.820	0.687	0.917	0.886
	EXP2	0.854			
	EXP3	0.831			
	EXP4	0.832			
	EXP5	0.807			
Attractiveness	ATT1	0.741	0.596	0.898	0.865
	ATT2	0.801			
	ATT3	0.725			
	ATT4	0.733			
	ATT5	0.824			
	ATT6	0.803			
Consumer's Engagement	CE1	0.841	0.550	0.894	0.863
	CE2	0.852			
	CE3	0.781			
	CE4	0.614			
	CE5	0.702			
	CE6	0.689			
	CE7	0.679			
Purchase Intention	PI1	0.895	0.792	0.920	0.869
	PI2	0.896			
	PI3	0.879			

Table 2 Fornell-Lacker

Fornell-Lacker	Attractiveness	Consumer' Engagement	Expertise	Purchase Intention	Trustworthiness
Attractiveness	0.772				
Consumer' Engagement	0.544	0.741			
Expertise	0.642	0.570	0.829		
Purchase Intention	0.548	0.558	0.557	0.890	
Trustworthiness	0.606	0.535	0.557	0.561	0.867

Table 3 Hypothesis testing

	Sample Original (O)	Sample Mean (M)	Standard Deviation (STD)	T Statistics (IO/STD)	P-Value	Results
Attractiveness -> Purchase Intention	0.120	0.125	0.088	1.358	0.175	Not Supported
Attractiveness*Consumer's Engagement -> Purchase Intention	-0.233	-0.155	0.177	1.314	0.189	Not Supported
Expertise -> Purchase Intention	0.208	0.180	0.091	2.290	0.022	Supported
Expertise*Consumer's Engagement -> Purchase Intention	0.213	0.145	0.111	1.917	0.056	Not Supported
Trustworthiness -> Purchase Intention	0.195	0.207	0.084	2.308	0.021	Supported
Trustworthiness*Consumer's Engagement -> Purchase Intention	-0.077	-0.032	0.112	0.690	0.491	Not Supported

In this study, the test hypothesis is assessed using the Partial Least Squares (PLS) method, which is followed by the structural model. The impact of structural path links between variables is seen in Table 3. The R-squared value can be used to determine the degree to which the model and data agree. The percentage of the response variable's variance that can be accounted for by the predictor variables included in the model is shown by the R-squared value. Because a higher R-squared value explains a larger percentage of the variance in the response variable, it is a better model. The R-Squared measurement for the response variable in the Purchase Intention model, together with R Squared with a corrected value is called Adjusted R Squared. The Adjusted R Squared value assesses the coherence of the model and takes into account the number of independent variables used. The greater the number of independent variables applied, the lower the Adjusted R Squared value, which is the opposite of R Squared. The Adjusted R-Squared value is 0.516. This means that the proportion of variance in the Purchase Intention variable that can be explained by the Trustworthiness, Expertise, Attractiveness, and Consumer Engagement moderating variables is 51.6%, while the remaining 48.4% is influenced by other variables outside the research. A method for examining the connection between a model's response variables and predictor variables is path analysis. A significant route coefficient value indicates a strong correlation between the two variables. According to Hair et al. (2019), a path coefficient is deemed statistically significant if its value surpasses zero and lies outside the confidence interval. If there is no value equal to zero at the level of confidence, then the coefficient of significant value has some significance. It is permissible or reasonable to conclude that there is a substantial association between the predictor variable and the response variable in the model under consideration if the path coefficient value is significant. Additionally, the research model's confirmation of its three hypotheses demonstrates a strong link between various variables. Please be aware that without additional testing, the findings of this study are restricted to the sample population and cannot be extrapolated to the full population. As can be observed from the P-values above 0.05 in Tables 3 and Figure 2, the research findings only verify two of the five hypotheses put out in this context. Purchase Intention is directly positively impacted by expertise and trustworthiness, with respective effects of 20.8% and 19.5%. This means that expertise and confidence can stimulate consumer interest in purchasing products or services without relying on the product's attractiveness. The moderating variable Consumer's Engagement also has no influence on trustworthiness, expertise, and attractiveness on purchase intention.

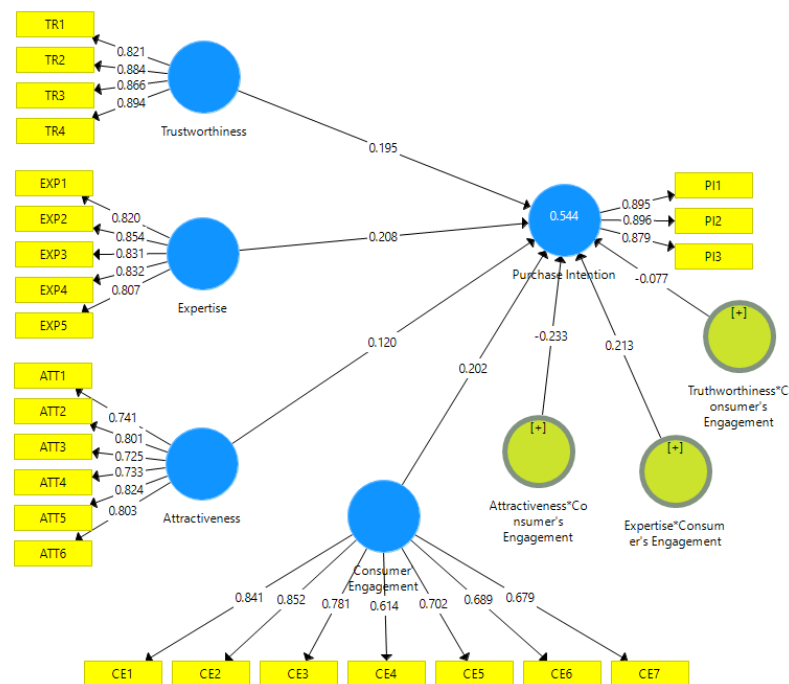


Figure 2 PLS-SEM model

4. CONCLUSION

The result of the research demonstrate that buy intentions are positively impacted by competence and trustworthiness, with effects of 20.8% and 19.5%, respectively. This finding is consistent with the Theory of Planned Behavior and Source Credibility Theory and is supported by previous research by Erdem and Swait (2004) and Ohanian (1990). However, the moderating variable consumer involvement does not influence the relationship between expertise, trust, and attractiveness with purchase intentions, indicating that expertise and trust influence purchase intentions directly without depending on the level of consumer involvement.

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