



**The Influence of Celebrity Endorsers and Social Media Marketing Mediated by Brand Awareness on the Purchase Intention of Mutual Fund Products in an APERD (Mutual Fund Selling Agent) in Indonesia**

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**ABSTRACT**

In this digital era, marketing media is one of the techniques used to introduce and advertise products. In addition, product marketing is promoted through so-called celebrity endorsers to make it more famous. This study aims to examine the influence of celebrity endorsers and social media marketing on the products of an *APERD* (Mutual Fund Selling Agent) in Indonesia, by considering brand awareness. This study used convenience sampling and SMART PLS as the sample collection and data analysis. The results revealed that celebrity endorsers directly influenced purchase intention negatively, yet positively when mediated by brand awareness. In contrast, social media marketing influenced purchase intention positively, either directly or when mediated by brand awareness.

**KEYWORDS:** celebrity endorser, social media marketing, brand awareness, purchase intention.

**1. Background**

The Indonesian OJK (Financial Services Authority) states that Indonesia has the fastest-growing financial technology in Southeast Asia. Currently, 352 financial technology companies are registered with AFTECH (Indonesian Fintech Association). One main factor for the proliferation of financial technology companies in Indonesia is the increasing public awareness to invest. The 2022 survey by Populix showed that 72% of Indonesians, especially the millennial generation and below, had invested in the stock market, mutual funds, bonds, and other investment products.

These companies compete with each other and dominate this industry. Financial technology companies survive by competing to find users to continue to grow their company's valuations and attract investors to invest. One way is to create

brand awareness by carrying out large-scale promotional activities so that users know and want to use the products offered by financial technology companies. One form of promotion widely used today is through celebrity endorsers, i.e., using a person or figure with high popularity on social media, where they are paid to review the promoted product (Putra et al., 2018). The use of social media for promotion by celebrity endorsers makes social media marketing an integral element of these activities. According to Gunelius in Mileva & Dh (2018), social media marketing is a form of direct or indirect marketing used to build awareness, recognition, memory, and attitudes towards product brands, people, or other entities. It is carried out through the media of social networks such as social bookmarking, blogging, microblogging, social networking, and content sharing.



An Indonesian APERD (mutual fund selling agent) often uses celebrity endorsers. This company sells mutual fund products online through websites or smartphone applications; it is such a fintech company. In 2021, this company managed funds of over IDR 5 trillion from its users, making it one of Indonesia's largest financial technology companies. The company has often used top Indonesian artists as celebrity endorsers to promote its products offline and online.

Intensely this company carries out promotional activities on social media with the help of celebrity endorsers. Still, no studies have analyzed celebrity endorser promotional activities through social media marketing using brand awareness as a mediating variable on the purchase intention product of an APERD. This company, which is also this research object, was only established in 2019, yet it has been able to create brand awareness that makes Indonesians can trust it to manage their investment funds. Consequently, this study examines the influence of celebrity endorsers and social media marketing mediated by brand awareness on the purchase intention of an Indonesian APERD product.

## 2. Literature Review

### 2.1. Celebrity Endorser

A celebrity is an artist, entertainer, athlete, or public figure known by the public because of their expertise in some particular field. A celebrity endorser is a form of advertising in which a company uses famous people and takes advantage of their popularity to promote a product or service (Rantanen, 2017). Using celebrity endorser communicators with specific characteristics is a form of promotion to influence positive consumer attitudes or responses to these products (Hansudoh, 2012). Indicators of a celebrity endorser (Kotler & Keller, 2009) are:

1. *Trustworthiness*
2. *Expertise*
3. *Attractiveness*
4. *Respect*
5. *Similarity*

### 2.2. Social Media Marketing

In this modern era, social media is a digital platform for companies in marketing activities, where consumers actively participate in offers, can comment and share, and get information quickly (Alfeel & Ansari, 2019). Various companies claim that social media marketing can add value, be effective and efficient for introducing products or brands, and become consumers' choice to purchase the products or services offered (Kurniasari & Budiarmo, 2018). Social media is a factor that influences consumers' purchase intention since it motivates them to obtain more information (Firmansyah, 2018). Indicators of social media marketing (Shimp & Andrews, 2013) are:

1. *Informing*
2. *Attractiveness*
3. *Persuading*
4. *Adding Value*
5. *Assisting*

### 2.3. Purchase Intention

According to Rafique & Zafar (2012), purchase intention is the desire and tendency of consumers to purchase advertised products due to the possibility that they will purchase these products in the future. Mirabi et al. (2015) also state that purchase intention is a complex process related to consumer behavior, perceptions, and attitudes, which becomes an effective tool in predicting the purchasing process. According to Prendergast et al. (2010), purchase intention can be determined by the possibility of consumers purchasing the products offered, the existence of consumer needs for the products offered, and the certainty of consumers trying the products offered. Indicators of purchase intention (S.-I. Wu & Chang, 2016) are:

1. Possibilities of purchasing products
2. Willing to purchase products for needs
3. Considerations of purchasing

### 2.4. Brand Awareness

Brand awareness is the consumers' ability to remember and recognize products with specific brands or vice versa. Brand awareness is the potential buyers' ability to recognize or recall that a brand is part of a particular product category (Chamid in Yosef, 2017). Indicators of brand awareness (Keller in Winadi, 2017) are:

1. *Recall*
2. *Recognition*
3. *Purchase*
4. *Consumption*

### 2.5. Hypothesis

Using the right celebrity endorser will increase the consumers' purchase intention (Rachbini, 2018). The study by Paramhita & Purnamie (2019) also states that celebrity endorsers positively and significantly influence purchase intention. Ahmad et al. (2020) also state that there is a positive correlation between a celebrity endorser and purchase intention. Based on this information, the following hypothesis is proposed:

**H1: Celebrity endorsers positively influence the purchase intention of mutual funds on online investment applications.**

A study by Bong (2017) concludes that interactions using social media positively influence consumer behavior, namely purchase intention. Studies by Alfeel & Ansari (2019) and Akhtar et al. (2016) state that social media marketing positively influences consumers' purchase intention. Based on the explanations above, the hypothesis is proposed as follows:

**H2: Social media marketing positively influences the purchase intention of mutual funds on online investment applications.**

Products with high brand awareness will increase consumers' confidence and purchase intention for these products (Paramhita & Purnamie, 2019). Noorlitaria et al. (2020) state that brand awareness positively influences purchase intention. The study by Paramhita & Purnamie (2019) also shows that brand awareness positively and significantly affects purchase intention. Based on the explanations above, the hypothesis is proposed as follows:



**H3: Brand awareness positively influences the purchase intention of mutual funds on online investment applications.**

The use of celebrity endorsers affects brand awareness of a product since celebrity endorsers have the potential to increase consumer attention and make a product more prominent than similar products (Gupta, 2015). Increased brand awareness influenced by celebrity endorsers with high credibility encourages consumers' purchase intention. The study by Paramhita & Purnamie (2019) shows that brand awareness can mediate the influence of celebrity endorsers on purchase intention. Based on the explanations above, the hypothesis is proposed as follows:

**H4: Brand awareness mediates the influence of celebrity endorsers on the purchase intention of mutual funds on online investment applications.**

Purchasing a product doesn't just happen. However, several stages start from identifying needs, searching for information, and

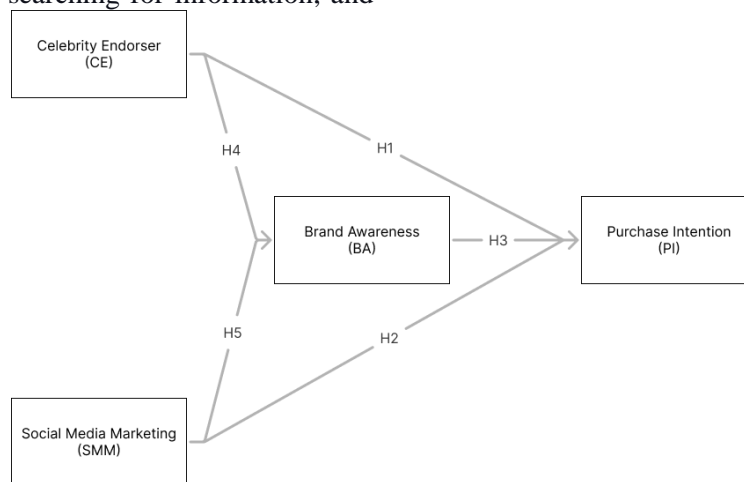


Figure 1-Theoretical Framework

Based on the picture above, there are two independent variables: celebrity endorser and social media marketing, brand awareness as a mediating variable, and purchase intention as the dependent variable. This study will examine each independent variable's direct and indirect effects on the selected dependent variable.

**3. Research Method**

**3.1. Methods**

This study determined factors influencing the purchase intention of investing in mutual funds in a financial technology company. This study was descriptive research conducted quantitatively to intervene in the studied phenomenon (Sekaran, 2019). The primary data were collected by distributing surveys to several respondents, using the Likert scale method with a scale of 1 to 5, that is, 1 means strongly disagree, and 5 means strongly agree. The research setting used the non-contrived, i.e., a field study of several respondents where the researcher did not manage the research situation, so their intervention to the data used was very minimal. The respondents were spread across several cities in Indonesia. The online survey made them can fill out the survey in their respective environments.

selecting until the purchase is determined (Kotler, 2009). Such searching for information is closely related to brand awareness since consumers will be sensitive and remember brands recorded in their memory, as stated in research by Noorlitaria et al. (2020). Brand awareness for consumers can increase through good social media marketing to influence purchase intention (Razak et al., 2021). Based on the explanations above, the hypothesis is proposed as follows:

**H5: Brand awareness mediates the influence of social media marketing on the purchase intention of mutual funds on online investment applications.**

**2.6. Theoretical Framework**

Based on the hypotheses previously described, the following is the theoretical framework for this study:

The population of this quantitative research was people who had never purchased investment products via online investment applications. The prospective respondents in this study had several criteria as follows:

1. At least 17 years old, assumed to have Identity Card as a requirement for purchasing investment products;
2. Having knowledge of mutual fund products from the financial technology company in this study, and being willing to use these products;
3. Recognizing the celebrity endorsers used by the financial technology company in this study.

Due to the large and unlimited population, this study used convenience sampling. The respondents who represented the population were the individuals closest to the researcher. This study collects data from 58 respondents. According to Roscoe in Sugiyono (2017), the appropriate sample size in research is 30 to 500, with a sample size of at least ten times the number of variables studied. This study had four variables (dependent and independent), so the minimum sample size was: 10 x 4 = 40 respondents.



**3.2. Results**

The respondents of this study were those who recognized the celebrity endorsers owned by an Indonesian APERD (Mutual

Fund Selling Agent). The questionnaires were distributed online via Google Forms for two weeks. This survey successfully reached 58 people who met the research criteria.

**Table 1-The Respondents' Profile**

Profile		Frequency	Percentage
Sex	Male	21	36%
	Female	37	64%
Age	17 to 23 years old	7	12%
	29 to 30 years old	40	69%
	>30 years old	11	19%

The descriptive results of the survey data found that 64% who knew about promotional activities by celebrity endorsers by one Indonesian APERD were women, while the remaining 36% were men. Furthermore, the promotions reached the majority aged 29-30 years at 69%. In conclusion, promotions with celebrity endorsers have a more significant impact on women aged 29-30 years.

This study used Smart PLS (Partial Least Squares) to determine the correlation and significance of the effect of the

selected variables. Smart PLS is an alternative to calculating multiple regression analysis; it is very suitable for this study. PLS is a prediction technique involving multiple independent variables to multicollinearity between variables (Ramzan & Khan, 2010). The PLS analysis was conducted to check reliability, validity, and hypotheses. In contrast, validity and reliability tests were conducted with Cronbach's Alpha.

*a. Convergent Validity*

**Table 2-Outer Loading Score**

Variable	Indicator	Outer Loading (>0.7)	Validity
Celebrity Endorser	CE1	0.839	Valid
	CE2	0.786	Valid
	CE3	0.776	Valid
	CE4	0.701	Valid
	CE5	0.892	Valid
	CE6	0.810	Valid
	CE7	0.812	Valid
Social Media Marketing	SMM1	0.737	Valid
	SMM2	0.917	Valid
	SMM3	0.882	Valid
	SMM4	0.848	Valid
	SMM5	0.898	Valid
	SMM6	0.865	Valid
Brand Awareness	BA1	0.872	Valid
	BA2	0.930	Valid
	BA3	0.805	Valid
	BA4	0.903	Valid
Purchase Intention	PI1	0.938	Valid
	PI2	0.900	Valid
	PI3	0.949	Valid

The validity test was conducted to ensure that each indicator used in calculating the questionnaire was reliable. This

calculation found that each indicator had a value of > 0.7, so each indicator was reliable.

*b. Discriminant Validity*



**Table 3-Cross Loading Score**

Indicator	CE	SMM	BA	PI
CE1	0.839	0.575	0.528	0.308
CE2	0.786	0.407	0.289	0.061
CE3	0.776	0.548	0.459	0.318
CE4	0.701	0.282	0.288	0.051
CE5	0.892	0.495	0.651	0.394
CE6	0.810	0.657	0.525	0.446
CE7	0.812	0.440	0.511	0.305
SMM1	0.564	0.737	0.540	0.486
SMM2	0.540	0.917	0.602	0.640
SMM3	0.585	0.882	0.716	0.671
SMM4	0.508	0.848	0.475	0.601
SMM5	0.542	0.898	0.586	0.532
SMM6	0.507	0.865	0.509	0.588
BA1	0.476	0.582	0.872	0.792
BA2	0.562	0.693	0.930	0.754
BA3	0.609	0.403	0.805	0.528
BA4	0.546	0.647	0.903	0.653
PI1	0.293	0.602	0.662	0.938
PI2	0.409	0.676	0.768	0.900
PI3	0.364	0.632	0.751	0.949

Table 3 above shows that each variable had a more significant cross-loading value than the others'.

**Table 4-AVE Score**

Variable	AVE
Celebrity Endorser (CE)	0.647
Social Media Marketing (SMM)	0.739
Brand Awareness (BA)	0.777
Purchase Intention (PI)	0.864

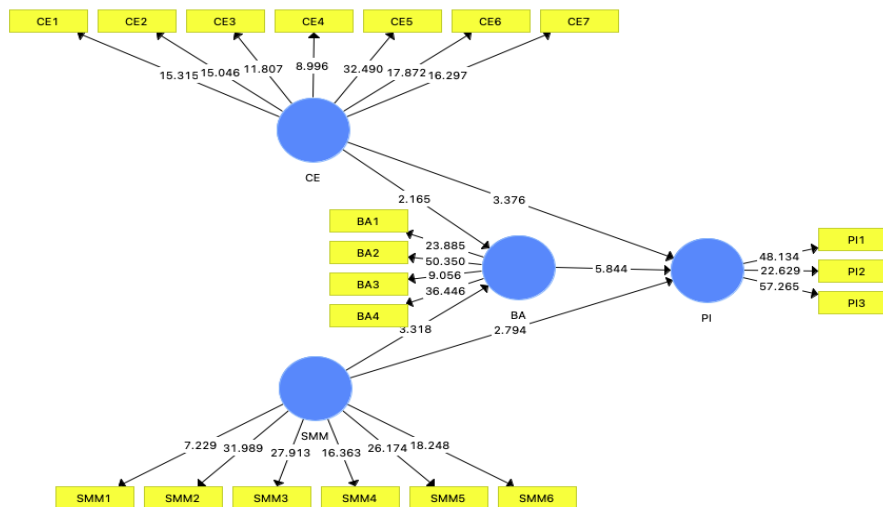
Table 4 shows the AVE value for each variable exceeding 0.5, *c. Composite Reliability* which indicates that the variables met the requirements.

**Table 5-Composite Reliability**

Variable	Cronbach's Alpha (>0.7)	Composite Reliability (>0.7)	Reliability
Celebrity Endorser	0.911	0.927	Reliable
Social Media Marketing	0.928	0.944	Reliable
Brand Awareness	0.901	0.931	Reliable
Purchase Intention	0.921	0.950	Reliable



Table 5 shows the values of Cronbach's Alpha and indicating that each variable used in the questionnaire was valid composite reliability for each variable used had exceeded 0.7, and could be used further.



**Figure 2-SmartPLS Path Analysis Model**

Table 6 displays the results of hypothesis testing.

**Table 6-Direct Effect**

Direct Effect						
Hypothesis	Variable Relation	Original Sample (O)	T-Statistics (O/STDEV)	P-Values	Effect	Significance
H1	Celebrity Endorser (CE) → Purchase Intention (PI)	-0.304	3.376	0.001	Negative	Significant
H2	Social Media Marketing (SMM) → Purchase Intention (PI)	0.410	2.794	0.005	Positive	Significant
H3	Brand Awareness (BA) → Purchase Intention (PI)	0.697	5.844	0.000	Positive	Significant

**Table 7-Indirect Effect**

Indirect Effect						
Hypothesis	Variable Relation	Original Sample (O)	T-Statistics (O/STDEV)	P-Values	Effect	Significance
H4	Celebrity Endorser (CE) → Brand Awareness → Purchase Intention (PI)	0.224	2.001	0.046	Positive	Significant
H5	Social Media Marketing (SMM) → Brand Awareness → Purchase Intention (PI)	0.327	2.891	0.004	Positive	Significant

**4. Results and Discussion**

Table 6 shows that celebrity endorsers had a significant and negative influence on the purchase intention of an Indonesian APERD product. It indicates that a campaign using celebrity endorsers would reduce users' purchase intention. This is different from the previous research by Rachbini (2018) and Paramhita & Purnamie (2019) which showed that celebrity

endorsers had a positive and significant influence on purchase intention.

The results in Table 6 explain that social media marketing significantly positively influenced the purchase intention of the product of an Indonesian APERD. It indicates that the better the quality of a company's social media marketing, the higher the purchase intention of its users. It aligns with research by Alfeel



& Ansari (2019) and Akhtar et al. (2016), where social media marketing significantly impacts purchase intention.

The results in Table 6 find that brand awareness significantly positively affected the purchase intention of the product of an Indonesian APERD. It indicates that the higher the public's knowledge regarding a company, the higher the purchase intention of its users. It aligns with the research by Paramhita & Purnamie (2019) and Noorlitaria et al. (2020), where brand awareness significantly positively affects purchase intention.

The results in Table 7 explain a significant positive influence of celebrity endorsers on purchase intention mediated by brand awareness. The quality of a good celebrity endorser would increase brand awareness and would have an impact on purchase intention. It supports the research by Paramhita & Purnamie (2019), where brand awareness successfully mediates the relationship between celebrity endorsers and purchase intention.

The results in Table 7 describe a significant positive influence of social media marketing on purchase intention mediated by brand awareness. It indicates that the better the quality of social media marketing, the more brand awareness would increase, which would also impact purchase intention. It supports the research by Razak et al. (2021), where brand awareness successfully mediates the relationship between social media marketing and purchase intention.

## 5. Conclusion and Future Research

This study examines the influence of celebrity endorsers and social media marketing on the purchase intention of mutual fund investment instruments at an Indonesian APERD (Mutual

Fund Selling Agent) company in Indonesia, by applying brand awareness as a mediating variable. The research results show that there is a negative influence of celebrity endorsers on purchase intention, which means celebrity endorsers do not relate to purchase intention for this type of product. Other variables may influence the intention to purchase intention, such as credibility, emotional connection, and perceived value if the company uses celebrity endorsers for promotion. The results will be different if celebrity endorsers are used to increasing brand awareness, where the celebrity endorsers have a positive influence on purchase intention, mediated by brand awareness. The negative influence of celebrity endorsers on purchase intention is due to several factors, such as the celebrity endorser's image that does not match the company, bad publicity from the celebrity endorser, or poor credibility for the product being sold. In contrast to celebrity endorsers, social media marketing has proven to have a positive influence on user purchase intentions, either directly or through mediation using brand awareness.

Based on these results, further studies can conduct research on the celebrity endorser variable and its influence on purchase intention, especially for companies that use celebrity endorsers with a different background from the product they promote to strengthen the findings of this research.

It is recommended for APERD (Mutual Fund Sales Agent) companies in Indonesia to focus on increasing their company's brand awareness through social media because, based on this research results, it has a significant positive influence on the purchase intention of its users.

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