The Mediating Role of Brand Image in the Effect of Sales Promotion, Product Quality, and Celebrity Endorser on Purchase Intention

Riszki Akbar¹, Mahrinasari MS², Dorothy Rouly H. Pandjaitan³
Master Program in Management, Faculty of Economics and Business, the University of Lampung, Indonesia.

ABSTRACT

Some companies have various strategies to build the strong value of the companies’ brand image so that the consumers intend to buy the products through strengthening sales promotion, product quality, and empowering the use of celebrity endorsers. Therefore, the purpose of this study is to analyze the effect of sales promotion, product quality, and celebrity endorser in building Brand Image to trigger purchase intention so that the main objective of this research is to examine the role of the mediating effect of Brand Image.

The number of respondents in this study was 200 respondents by implementing a probability sampling technique. By implementing Multiple regression analysis, the results of this study show that sales promotion, product quality, and celebrity endorsers affect brand image, and brand image has a mediating role in boosting consumer purchase intention. Celebrity endorser has the highest influence on brand image. The higher brand image has, the higher purchase intention will be created due to the more attractive celebrity endorser role, then followed by intensive sales promotions and high product quality.

Keywords: Sales Promotion, Product Quality, Celebrity Endorser, Brand Image, Purchase Intention

INTRODUCTION

The cosmetics industry in Indonesia continues to develop from year to year. The Ministry of Industry (Kemenerin) stated that the Indonesian cosmetics industry increased by 20% in 2017. The increase reached double digits or four times the Indonesian economic growth. Therefore, the Ministry of Industry has placed the cosmetics industry as one of the main economic growth sectors in 2015-2035 in the Indonesian National Industrial Development Master Plan. Therefore, the Indonesian cosmetic industry must be able to compete with global cosmetic industries in the world. One of the various strategies that can be implemented to compete with is by strengthening the value of the Brand Image. Based on Nielsen's data (2020), Indonesian cosmetic brands right now are showing more and more attractive performance. One of the TOP 10 cosmetic brands that have well-performed from 2017 to 2019 is PIXY Products, 2nd Brand TOP in the Base Makeup, and Decorative Products categories, as can be seen in Table 1.
To be a TOP 10 brand value, the company has various efforts, such as by implementing intensive sales promotion, offering a high quality of the products, and providing attractive celebrity endorsers to boost the purchase intention of the consumers, as PIXY cosmetic brand is done. This TOP brand value brings the company to have a higher market share, as stated in Figure 1.

**Table 1. Top 10 Brand Performance (Nielsen) Base Make-Up & Decorative**

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Wardah</td>
<td>985.595</td>
<td>1,263.867</td>
<td>1,473.548</td>
<td>128.2%</td>
<td>116.6%</td>
<td>27.0%</td>
<td>29.5%</td>
<td>29.7%</td>
</tr>
<tr>
<td>Pixy</td>
<td>451.124</td>
<td>465.284</td>
<td>510.160</td>
<td>103.1%</td>
<td>109.6%</td>
<td>12.4%</td>
<td>10.9%</td>
<td>10.3%</td>
</tr>
<tr>
<td>Maybelline</td>
<td>255.067</td>
<td>336.933</td>
<td>433.401</td>
<td>132.9%</td>
<td>127.9%</td>
<td>7.0%</td>
<td>7.9%</td>
<td>6.7%</td>
</tr>
<tr>
<td>Viva</td>
<td>264.818</td>
<td>318.489</td>
<td>337.735</td>
<td>110.8%</td>
<td>107.1%</td>
<td>7.8%</td>
<td>7.4%</td>
<td>6.8%</td>
</tr>
<tr>
<td>Inez</td>
<td>220.066</td>
<td>237.300</td>
<td>226.757</td>
<td>103.3%</td>
<td>100.6%</td>
<td>6.0%</td>
<td>5.3%</td>
<td>4.6%</td>
</tr>
<tr>
<td>Lutulipe</td>
<td>178.527</td>
<td>167.487</td>
<td>165.686</td>
<td>93.8%</td>
<td>98.9%</td>
<td>4.9%</td>
<td>3.9%</td>
<td>3.3%</td>
</tr>
<tr>
<td>Marcks</td>
<td>107.932</td>
<td>127.593</td>
<td>159.367</td>
<td>126.7%</td>
<td>124.9%</td>
<td>2.8%</td>
<td>3.0%</td>
<td>3.2%</td>
</tr>
<tr>
<td>Purbasari</td>
<td>134.342</td>
<td>167.457</td>
<td>154.581</td>
<td>126.4%</td>
<td>92.3%</td>
<td>3.6%</td>
<td>3.9%</td>
<td>3.1%</td>
</tr>
<tr>
<td>Make Over</td>
<td>54.323</td>
<td>91.818</td>
<td>149.835</td>
<td>169.0%</td>
<td>163.2%</td>
<td>1.5%</td>
<td>2.1%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Sari Ayu</td>
<td>156.847</td>
<td>140.017</td>
<td>126.414</td>
<td>89.3%</td>
<td>90.3%</td>
<td>4.3%</td>
<td>3.3%</td>
<td>2.6%</td>
</tr>
<tr>
<td>Others</td>
<td>829.637</td>
<td>974.760</td>
<td>1,214.919</td>
<td>117.5%</td>
<td>124.6%</td>
<td>22.7%</td>
<td>22.8%</td>
<td>24.5%</td>
</tr>
<tr>
<td>Grand Total</td>
<td>3,549.168</td>
<td>4,260.269</td>
<td>4,954.398</td>
<td>117.3%</td>
<td>115.8%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

*Source: Data Nielsen, 2020*

**Figure 1. The Market Share of Indonesian Several Cosmetic Brand**

*Source: Data Nielsen, 2020*
According to Tjiptono (2014), sales promotion can be used effectively to build a long-term image of a product or company and can also trigger an immediate purchase. In other words, sales promotion has a role in shaping the image of a brand that can later influence consumer buying intention towards the brand.

Kotler and Armstrong (2012: 272) state that product quality is one of the main positioning tools for marketers. PIXY always strives to innovate and provide quality products by using the best ingredients for all its cosmetic products, especially in PIXY Make It Glow Dewy Cushion products.

Advertising is one of the media used to make the brand image of a product to be known by the wider community. Using a brand image will make a good impression that a company wants to give to the public or its audience to generate a positive public opinion. To support an advertisement delivery, a supporting role is used, namely endorsers in an advertisement. The use of celebrity endorsers must go through several considerations, including the level of celebrity popularity with the issue of whether the chosen celebrity can represent the character of the product being advertised. Therefore, this research objective is to analyze the effect of sales promotion, product quality, and celebrity endorser on purchase intention, and to examine the mediating role of brand image in the effect of sales promotion, product quality, and celebrity endorser on purchase intention.

LITERATURE REVIEW AND HYPOTHESIS

According to Shimp (2010), promotion is an approach taken by advertisers to increase motivation, opportunities, and the ability of consumers to process messages in a promotion. Moreover, the main function of sales promotion is to stimulate the buying behavior of a product or service (Chunawalla 2008). Sales promotions are very flexible which can be used both reactively to quickly respond to competitors' activities and proactively according to plans to integrate other marketing communication activities. (Pickton & Broderick et al. 2005). Sales promotion can be said to be successful and great if it is innovative, creative, unique, and convincing. Besides, sales promotion must be relevant, related, and support brand image. Sales promotion must be developed so that consumers can understand and can visualize themselves. Therefore, the following hypothesis can be put forward:

\[ H_1: \text{Sales promotion has a direct significant effect on Brand Image} \]

According to Kotler and Keller (2016: 266), Product Quality is everything that can be offered to the market to attract attention, acquisition, use, or consumption that can satisfy a desire or need. Product quality is a comprehensive evaluation of customers or consumers of the good performance of goods and services. While According to Temporal and Lee who were translated by Anastasia (2002: 31) stated that the company will never create a strong brand without being driven by elements that distinguish the company from competitors, one of which is the quality element. Therefore, consumers equate brands with certain quality standards. When choosing a brand, consumers put their hopes that the brand they choose is the most appropriate and highest brand image value. Thus, the hypothesis can be put forward are as follows:

\[ H_2: \text{Product Quality has a direct significant effect on Brand Image} \]

Shimp (2007) suggested that the celebrity endorser is a character known to the public in the fields and different that can influence because of his achievements. Sadat (2009: 69) stated that celebrity is a figure widely known to the public and can come from various circles, both artists, athletes, officials, community leaders, and others. Then, Shimp (2007) stated that advertising executives demand the
celebrity's image, values, and behavior following the brand's impression or image. Ankasaniscara (2012) explained that the attractive celebrity endorsers will produce a *brand image* that is different from its competitors. Therefore, the hypotheses that can be proposed are as follows: 

**H$_3$: Celebrity endorser has a significant direct effect on Brand Image**

Priyono *et al* (2016) said that sales promotion is all things or activities aimed to increase the flow of services or goods from the company to reach its final buyer. While Zhang *et al* (2014) stated that sales promotion has a positive effect on purchase intentions. If there is an increase in sales promotions, purchase intentions will also increase. The impact of the sales promotion can be felt directly by the buyer or consumer so it will increase the consumer's purchase intention toward the products. Therefore, the hypothesis can be put forward are as follows: 

**H$_4$: Sales Promotion has a significant effect on purchase intention**

The product quality determines how much consumers to buy the product. Consumer buying intention is something that arises after receiving a stimulus from the product he sees, from there arises an interest or desire to try the product until it finally arises intention to buy to have it (Kotler 2012). The level of consumer buying intention towards product quality will reflect the level of the company succeeding in its marketing of the products. A product or service will fail if it cannot provide satisfaction to consumers. However, efforts to arouse consumer buying intention are very difficult because the competition is so intense and changes in the social environment that can affect consumer behavior and higher economic growth rates. Therefore, the hypothesis can be put forward are as follows: 

**H$_5$: Product Quality has a significant effect on purchase intention**

Celebrity endorsers and purchase intentions have a positive and significant relationship. A positive relationship can be interpreted as an increase in a significant effect in celebrity endorsers that can significantly increase consumer purchase intention. The more positive values of *public figures* who become advertising stars, the greater the opportunity to attract consumer purchase intention, as Arum research results (2019). The significant effect means that the measurements of celebrity endorsers support the *purchase intention* of consumers. Therefore, the hypotheses that can be put forward are as follows: 

**H$_6$: Celebrity endorser has a significant direct effect on consumer purchase intentions**

According to Temporal and Lee who were translated by Anastasia (2002) explained that one of the determinant factors to purchase the brand of the products is a strong brand image value. Consumers prefer products with popular brands compared to ordinary goods and services on the market, this is because brands can provide clear choices, emotional bonds that exist in consumers, avoiding consumers from confusion, and a sense of security when using. Through brand image value, consumers feel there is something they can trust. In addition, brand image can prevent commodity traps because the brand image offers a difference, so consumers will have the convenience of choosing through the presence of a strong brand image value. Therefore, the hypothesis can be put forward are as follows: 

**H$_7$: Brand image has a significant effect on purchase intention**

Sales promotion is one way for a marketer to market their products. According to Kotler and Keller (2016: 219), sales promotion is a core ingredient in marketing campaigns, consisting of a collection of incentive tools, mostly short-term, designed to stimulate faster or greater purchases of
certain products or services by consumers or traders. Individual sales promotions, advertisements, and sales promotions are things that can influence one's buying intention. While the brand image can trigger consumers to buy the products as According to Temporal and Lee who were translated by Anastasia (2002) suggests. This implies that brand image can play a mediating role in the effect of sales promotion on purchase intention. Therefore, the hypotheses that can be proposed are as follows:

\(H_8: \text{ Brand image has a mediating role in the effect of sales promotion on purchase intention}\)

In essence, a person buys goods or services to satisfy a need or desire, not only physically, but also rather the benefits arising from the goods or services purchased. Therefore, the marketers are required to always be creative, dynamic, and broad-minded in offering and delivering the high quality of the products. Marketers who do not pay attention to the quality of the products offered will bear consumer disloyalty so that the sales of their products will tend to decrease. If a product is made following the dimensions of quality, even strengthened by the price offered, it will affect consumer intention in buying the products. Dinawan's research results (2010) showed that consumers have a positive relationship between price and product quality, then they will compare one product to another and decide so that there is a buying intention toward the products, and also event, the products have a strong brand image value. Thus, the stronger brand image value has, the higher potential consumer will intent to buy the products due to the high-quality offering. Therefore, based on the above discussion the hypotheses that can be put forward are as follows:

\(H_9: \text{ Brand Image has a mediating role in the effect of product quality on purchase intention}\)

Liu et al. (2007) found that no matter whether the appeal or attractive endorser is high, medium, or low, the high attractive endorser can result in higher purchase intentions than low attractive endorsers with product compatibility. Moreover, the buying intentions produced by high-attractive endorsers will be higher than those produced by low attractive endorsers, events, the product has a strong brand image value. It implies that the brand image can play a mediating role. Therefore, the hypothesis can be put forward are as follows:

\(H_{10}: \text{ Brand Image has a mediating effect on the effect of celebrity endorser on purchase intention}\)

All ten hypotheses above can be drawn in Figure 2 below.
RESEARCH METHODOLOGY

The research method used is a quantitative design by distributing the questionnaire's items to the 200 respondents who saw the advertisement of the PIXY Make it Glow Dewy Cushion products that used the celebrity endorsers while advertised and implemented the sales promotion. The 200 usable data were analyzed by Multiple regression analysis with SPSS 24.00 application. The items of the questionnaire adopted the previous research as the researches of Nuraini (2015); Arum (2019). Those all measurement items fulfilled the requirements of validity and reliability test. The validity test results show that all loading factors of the items based on exploratory factor analysis (EFA) equal or more than 0.50 (all measurements are valid), and the reliability test based on Cronbach's alpha shows a reliable measurement (equal to or more than 0.70).

RESULTS AND DISCUSSION

Results

In this study, the highest respondent characteristic data was based on gender characteristics, namely the female gender of 190 respondents (95%) because of the tendency of cosmetics to sell more female cosmetics. The highest number of respondents for ages 20 - < 30 years was 90 respondents (39%) because that age followed trends the latest beauty in meeting their needs. As for the highest number of respondents with educational characteristics namely the last education of Bachelor's Degree as many as 77 respondents (38.5%) because the mindset of the last education of Bachelor Degree was more
concerned with trends. While the highest number of respondents by job type was housewives with 91 respondents (45.5%).

Regression results as stated in Table 2 shows that Sales Promotion, Product Quality, and Celebrity Endorser significantly influence Brand Image. Whereas based on the regression results in Table 3 shows that Sales Promotion, Product Quality, Celebrity Endorser, and Brand Image significantly influence consumer purchase intention. Based on the results of the Sobel Test (Tables 4, 5, and 6), Brand Image plays a mediating role in sales promotion, product quality, and celebrity endorser effects on purchase intention.

**Table 2. Regression Analysis Results, The Effect of Sales promotion, Product Quality, and Celebrity Endorser on Brand Image**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
<th>Hypothesis Decisions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>.095</td>
<td>1.889</td>
<td>.050</td>
<td>Supported</td>
</tr>
<tr>
<td></td>
<td>Sales Promotion</td>
<td>.413</td>
<td>.061</td>
<td>4.93</td>
<td>Supported</td>
</tr>
<tr>
<td></td>
<td>Product Quality</td>
<td>.300</td>
<td>.080</td>
<td>3.73</td>
<td>Supported</td>
</tr>
<tr>
<td></td>
<td>Celebrity Endorser</td>
<td>.188</td>
<td>.084</td>
<td>2.24</td>
<td>Supported</td>
</tr>
<tr>
<td></td>
<td>a. Dependent Variable: Brand Image</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sources: SPSS 24.00 Application

**Table 3. Regression Analysis Results, The Effect of Sales promotion, Product Quality, and Celebrity Endorser, Brand Image on Purchase Intention**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
<th>Hypothesis Decisions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>(Constant)</td>
<td>-3.804</td>
<td>1.016</td>
<td></td>
<td>Supported</td>
</tr>
<tr>
<td></td>
<td>Sales Promotion</td>
<td>.156</td>
<td>.036</td>
<td>.202</td>
<td>Supported</td>
</tr>
<tr>
<td></td>
<td>Product Quality</td>
<td>.393</td>
<td>.045</td>
<td>.314</td>
<td>Supported</td>
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<tr>
<td></td>
<td>Celebrity Endorser</td>
<td>.268</td>
<td>.046</td>
<td>.263</td>
<td>Supported</td>
</tr>
<tr>
<td></td>
<td>Brand Image</td>
<td>.263</td>
<td>.038</td>
<td>.286</td>
<td>Supported</td>
</tr>
<tr>
<td></td>
<td>a. Dependent Variable: Purchase Intention</td>
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</table>

Sources: SPSS 24.00 Application

**Table 4. Sobel Test of Brand Image as a mediating effect in Sales Promotion Effect on Purchase Intention**

<table>
<thead>
<tr>
<th>Input:</th>
<th>Test statistic:</th>
<th>Std. Error:</th>
<th>p-value:</th>
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</thead>
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<tr>
<td>a 0.413</td>
<td>Sobel test: 4.83981397</td>
<td>0.0224428</td>
<td>0.0000013</td>
</tr>
<tr>
<td>b 0.263</td>
<td>Arlian test: 4.81420374</td>
<td>0.02256219</td>
<td>0.00000148</td>
</tr>
<tr>
<td>$a_1$ 0.061</td>
<td>Goodman test: 4.86583732</td>
<td>0.02232278</td>
<td>0.00000114</td>
</tr>
<tr>
<td>$b_1$ 0.038</td>
<td>reset all</td>
<td>calculate</td>
<td></td>
</tr>
</tbody>
</table>

Sources: SPSS 24.00 Application
Discussion

The effect of sales promotion on brand image based on Table 3 has the highest significant effect than others (product quality and celebrity endorser), as the estimated value of 49.3%. This shows that 49.3% of brand image, is determined by sales promotion. This result supports Aaker’s opinion (2011), stating that sales promotion can contribute to brand image building. Also, this result supports the research results by Crespo and Del Barrio (2013), finding that online sales promotion has a significant effect on brand image.

The effect of product quality on brand image based on Table 3 is in the second rank effect, the estimated value of the effect amounted to 22.10%. This shows that 22.10% of brand image value building is determined by product quality. This result supports the research results of Hanaysha et all (2009), stating that Product Quality has a significant direct effect on Brand Image.

The influence of celebrity endorsers on brand image based on Table 3 shows the lower estimated value by 17.00%. It means that 17% of brand image is determined by celebrity endorsers. Following the opinion of Mukherjee (2009), Celebrity Endorser is one of the most popular tools of advertising and becomes a trend, and also is perceived as a winning formula to build a strong brand image value. It is easy to choose a celebrity but it is tough to establish a strong association between the product and the endorser. This result also supports Lomboan's research results (2013), finding that the celebrity endorser has a significant effect on brand image. So, to introduce a product to the public company, you can use celebrity endorsers as a tool to strengthen Brand image value. But the company must also consider the credibility of a celebrity endorser who must have good credibility so the consumers will make a purchase intention decision without doubtful.

If sales promotion, product quality, celebrity endorser, and brand image are regressed based on multiple regression analysis (Table 4), the highest estimated value effect comes from the product quality
effect amounted to 31.40%, then followed by Brand Image (28.60%), Celebrity Endorser (26.30%), Sales Promotion (20.20%) effect on purchase intention. This means that product quality is the main effect to trigger consumer purchase intention, even though Sales Promotion has the highest effect on Brand Image building. These results support Prasetyo’s findings (2013) and the opinion of Aryadhe (2016), that Product Quality is the main factor to determine the products purchased, which also is trigged by Sales Promotion. It can be concluded the consumers are willing to buy the products due to the high quality of the products and supported by the strong brand image, attractive credible celebrity endorser, and intensive sales promotion.

The influence of the celebrity endorser on consumer purchase supports the opinion of Khan (2018) who stated that to create a positive brand image and to affect consumer purchase intention, the company should keep implementing the celebrity endorser attributes in consumers’ minds. Also, the influence of brand image on consumer purchase intention supports the opinion of Mambu (2015), stating that brand image positively affects consumer purchase intention.

The most important result is that brand image plays a mediating role based on the Sobel test (Table 5,6,7). Because all the effect of independent variables (Sales Promotion, Product Quality, and Celebrity Endorser) on a mediator variable (Brand Image), and the mediator variable effect (Brand Image) on the dependent variable (Purchase Intention) has a significant effect, the mediating effect of Brand Image plays a partial mediation.

CONCLUSION, IMPLICATION, AND FUTURE RESEARCH

Sales promotion is the main tool to build Strong Brand Image, besides Celebrity Endorser and the product quality that will have an impact on consumer purchase intentions. However, to trigger the purchase intention of the consumers, product quality is the most important strategy of the company and then followed by Brand Equity, Celebrity Endorser, and Sales Promotion. If seen from the mediating role of Brand Image, Brand Image plays an important role in intervening in the effect of sales promotion, product quality, and celebrity endorser on Purchase Intention. This mediating role in this research is the new finding. It means that the stronger Brand Image, the higher purchase intention of the consumer will be created, due to an effective sales promotion, attractive and credible celebrity endorser, and high product quality.

The managerial implication is to increase sales promotional activities by giving the special sales discount of the prices because a special price is very influential on consumer purchase intention so that customers intent to buy the products offered and then can improve purchasing decisions. Besides, Celebrity Endorser provides detailed information and increases information about product excellent quality, and keeping in mind the consumers that the credibility of the endorser can build the customers' trust in the quality of the products that the endorser shows so that the purchase intention of the consumers will increase. The Brand Image building can be developed by always strengthening the higher-excellent quality of the products and offering the innovative product design related with developing the positioning of the product always to be the excellent leading of the skincare product in the Indonesian cosmetics industry so it can compete with the global brand of the cosmetic industry.

This study has a limitation, especially for the sampling technique used, so further future research can be expanded by extending the various types of industries, not only for manufacturing industries but also for researching in other service industries to get generalizability results.
REFERENCE


