

# CHAPTER I

## INTRODUCTION

### 1.1 Research Background

In this era, a company is required to always have positive and new innovation in order to be able to compete with other companies. Advertisement is the most effective tool to gain competitive advantage. One of the way to advertise that widely used by many companies is using celebrity as the endorsers of their brands. Since celebrities are well-known to the public, so celebrity endorsement is the best tool of advertisement for the potential consumers. McCracken in 1989 (as cited in Ahmed, Mir & Farooq, p. 585) defined celebrity endorsement as any individual who enjoys public recognition and who uses this recognition on behalf of a consumer good by appearing with it in an advertisement. Companies use the image of celebrities in order to increase the brand awareness as well as their sales (Sertoglu, Catli, & Korkmaz, 2014, p. 66). Celebrity endorsement is important for the companies to capture the attention of their consumers because audiences are influenced by celebrities in willingness to buy. The credibility of the endorsers matter to consumer to buy a particular product. This credibility does not only influence the mind of consumers to purchase the products but also to develop a positive word of mouth regarding the brand being endorsed by the high credibility celebrities. So using a credible celebrities in the advertisement is the goldmine for the companies to earn the market share, profits, and revenues (Ahmed, Farooq, & Iqbal, 2014, p. 8). Credibility of celebrity endorsement divided into three dimensions which are attractiveness, trustworthiness, and expertise.

Wardah has eight celebrities or endorsers who are; Ria Miranda, Dian Pelangi, Zaskia Sungkar, Inneke Koesherawati, Natasha Rizki, Dewi Sandra, Lisa Namuri, and Tatjana Saphira. Wardah called its endorsers as Inspiring Beauty means the women who have outer beauty, many achievements in any fields, and are dedicated to inspire others. Wardah uses celebrities endorsement in promotion its brand in order to gain the interest by its potential consumers that will lead to purchase intention in the future. Wardah also uses celebrities endorsement based on their credibility. It is started from the attractiveness, attractiveness is not only about the outlook but also personality, intelligence, achievements, and so on. Most of the companies use good looking celebrities in order to gain the interest purchase of potential consumers, especially cosmetic brands. Wardah knows how to find the good looking, good attitude, many achievements in any fields, etc celebrities for its endorsers. All the celebrity endorsers of Wardah is known to look pretty, have good attitude, and receive achievements in their own fields. For example Dewi Sandra, she has known as a singer and actress of Indonesia and publicly agrees that she looks pretty especially after wearing hijab. Another example is Dian Pelangi, she is known as an Indonesian designer for muslim fashion. She has received many achievements for her design whether in Indonesia and even in abroad. She always look stunning with her style as can be seen in her social media. Next dimension is trustworthiness, trustworthiness means that the endorsers are dependable or trustworthy people. Most of consumers who have willingness to purchase or even has bought a brand, they found the information that celebrities said in advertisement can be trusted. Especially celebrities who

upload the pictures or videos about using the products that they endorsed in their own social media. It also happened for Wardah, most of celebrity endorsers of Wardah show that they use the brand that they endorsed for example Ria Miranda. She is a muslim fashion designer that popular for her pastel color in her design, on her social media (instagram) she uploaded the pictures or videos regarding to her own experience using Wardah. She stated that she uses Wardah as her beauty treatment, it means that her information regarding Wardah can be trusted by consumers. So the potential consumers who have willingness to purchase Wardah, it can be from the information that presented by celebrity endorsers on their own social media regarding of using Wardah as their own daily cosmetic routine. Last dimension is expertise, most of potential consumers have willingness to purchase because they found that the endorsers are expert in promote the brands or even the endorsers are expert people in the field that they endorsed. For example athletes are being the endorsers of sport brands, designers are being the endorsers for fashion brands, chefs are being endorsed for culinary brands, and many more. All celebrities of Wardah look expert in using and promoting Wardah as can be seen by the potential consumers in the advertisement of Wardah or even in the social media. So celebrities' credibility endorsement of Wardah may lead the consumers to purchase Wardah in the future.

Halal cosmetics become a new trend in cosmetics industry since a few years ago when muslim fashion such as hijab became the new trend in fashion industry of Indonesia. Halal means anything that is permitted and allowed from the Islamic Law which are free from alcohol and anything that is related to the pork. This

trend becomes viral since the number of muslims in Indonesia is very high. The reason of muslimah uses halal cosmetics because they want to look pretty by following the rule of Islam like only using halal cosmetics. Since muslims become more awareness about the importance of using halal cosmetics which are safe and halal, some cosmetics brand in Indonesia adopt halal cosmetics such as Wardah, Ristra, La Tulipe, Marcks' Venus, Sariayu, Biokos, Caring Colors, PAC, Mustika Ratu, Moors, Mustika Puteri, Biocell, Rivera, Theraskin, Freya, Viva, Zoya, Mazya, etc. Halal cosmetics does not only attract the muslimah, but also for the non-muslim because they realize that halal cosmetics is safe for them to use in daily activities and it contains safe ingredients.

Eight out of ten female students that researcher have asked, they use halal cosmetics for their daily activities. Most of them use Wardah cosmetics as their choices. Wardah is the cosmetic brand that becomes the pioneer of halal cosmetics in Indonesia with the new tagline #HalaldariAwal, the previous tagline of Wardah is Earth, Love, Life that means embracing the gift of the earth, loving yourself the way you are for are for an inspiring life today and years ahead (Wardahbeauty, 2016). Wardah was established in 1995 by Nurhayati Subakat. Wardah offers four types of products such as skin treatment, body series, make up, hajj and umrah. Wardah claimed more than two hundreds products of wardah has gained the halal certification by LPPOM MUI, and it also can be seen in the website of LPOPOM MUI. Wardah has three principles stated on the official website of Wardah (Wardahbeauty, 2016) as follows;

- a. Pure and Safe

Wardah products are made with only premium all natural, halal and safe ingredients. Wardah products are soft, perfectly formulated and do not contain Hydroquinon.

b. Beauty Expert

For years, many Indonesian women, not only the Moslem ones, have chosen Wardah. It creates a context where Wardah always innovates and stays creative to meet every need from cosmetics with fresh colors to high quality skin care products. Wardah ensures that with every color applied, every powder coated or every shade blended, one woman is being confirmed that she's a fine lady.

c. Inspiring Beauty

Since 1995 Wardah always believes in beauty that inspires.

Another aspect that is also important is brand image. Positive image of brand may lead to consumers' purchasing intention. Based on the book that written by Shimp (2006) brand image can be thought of in terms of the types of associations that come to the customer's or consumer's mind when contemplating a particular brand. The better image that has a brand, it will make the potential consumers become more attract to that brand and has willingness to buy the products that offer by the brand. When talking about Wardah, Halal and a local cosmetic brand those are the image that may comes in consumer's mind. Wardah is one of the successful local cosmetic brand in Indonesia that can proved by website of Kantarworld Panel Indonesia, Wardah becomes number four as the Asian Power Brands. Halal is the competitive advantage that obtained by Wardah that makes this brand becomes strength, favourable, and unique compare to other cosmetics,

especially in Indonesia who are mostly are Muslims. Favourable, strength, and uniqueness as the part of brand image. Brand image comes from the external of the company like consumers, competitors, etc and it is uncontrollable. Contrast with brand equity which comes from internal company and it is controllable like colors, packaging, slogan, etc. So in order to gain interest of potential consumers, a company should maintain positive image by creating good brand equity.

In the website of Republika (2013) stated the current phenomena shows that Indonesian intent to buy anything that is confirmed halal such as cosmetics especially the Muslim. Another reason, muslims become more aware the importance of using halal cosmetics for her daily activities. Wardah as halal cosmetic brand in Indonesia can be benefited by the increasing number of people who are aware and intention to purchase the halal products especially cosmetics. If Wardah can build the stronger positive image than before and keep choosing the celebrity endorsement that is suitable to the principles of Wardah. It can be sure that Wardah will be most powerful cosmetic brand in Indonesia and will get more potential consumers in the future.

Based on the background above, the researcher is interested to do research with the title : **“The Influences of Celebrities’ Credibility Endorsement and Brand Image on Consumers’ Purchasing Intention to Halal Brand Cosmetic (Wardah Cosmetics)”**.

## **1.2 Problem Statement**

The research questions are built as follows :

1. Does the celebrities' attractiveness endorsement influence the consumers' purchasing intention to halal brand cosmetic (Wardah Cosmetics) at Andalas University ?
2. Does the celebrities' trustworthiness endorsement influence the consumers' purchasing intention to halal brand cosmetic (Wardah Cosmetics) at Andalas University ?
3. Does the celebrities' expertise endorsement influence the consumers' purchasing intention to halal brand cosmetic (Wardah Cosmetics) at Andalas University ?
4. Does the brand image influence the consumers' purchasing intention to halal brand cosmetic (Wardah Cosmetics) at Andalas University ?

### **1.3 Research Objectives**

Based on the problem statement above, the purposes of this research are :

1. To analyze the influence the celebrities' attractiveness endorsement on consumers' purchasing intention to halal brand cosmetic (Wardah Cosmetics) at Andalas University.
2. To analyze the influence celebrities' trustworthiness endorsement on consumers' purchasing intention to halal brand cosmetic (Wardah Cosmetics) at Andalas University.
3. To analyze the influence the celebrities' expertise endorsement on consumers' purchasing intention to halal brand cosmetic (Wardah Cosmetics) at Andalas

University.

4. To analyze the influence of the brand image on consumers' purchasing intention to halal brand cosmetic (Wardah Cosmetics) at Andalas University.

#### **1.4 Research Contribution**

##### **1. Contribution to Researcher**

This research can be one of the evidence that the researcher has been able to implement the knowledge of marketing concept that researcher has learned in learning process, especially the theories about celebrity endorsement, brand image, and purchase intention.

##### **2. Contribution to Firm**

The result of this research is expected to be useful for the firm in making decision about the use of celebrity endorsement, and brand image, that can influence purchase intention.

##### **3. Contribution to University**

This research is expected to be able to enrich the collection of Andalas University's that can be used as the reference for students, and academic people who want to learn more about marketing concept, especially about celebrity endorsement, brand image, and purchase intention.

#### **1.5 Scope of the Research**

The scope of the research will focus on credibility of celebrity endorsement, and brand image as the independent variables and consumers' purchasing

intention as the dependent variable. The object of this research are female students who are still attending lecture process at Andalas University.

## **1.6 Outline of Research**

In order to make it easier and make moderate the forwarding of content, this research is divided into five chapter, they are:

### **CHAPTER I : INTRODUCTION**

That is containing about background of the research, problem statement, and objective of the research, contribution of the research, and scope of research.

### **CHAPTER II : LITERATURE REVIEW**

This chapter contains descriptions of theoretical variables that include the theories that support and underlie the variables used in the research and framework.

### **CHAPTER III : RESEARCH METHODOLOGY**

Explaining about research method which discussing about research design, population and sample, data collecting method, operational of variables, data processing, data analysis method and data analysis.

### **CHAPTER IV : RESULT AND DISCUSSION**

Explain about validity and reliability test, analyzing The Influences of Celebrities' Credibility Endorsement and Brand Image on Consumers' Purchasing



Intention to Halal Brand Cosmetic (Wardah Cosmetics) at Andalas University.

## **CHAPTER V : CONCLUSION, LIMITATIONS, IMPLICATION AND RECOMMENDATION OF RESEARCH**

On this chapter, researcher will explain about conclusion, suggestion, limitation of the research, and recommendation for the further research.

