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UNVEILING THE POWER OF BRAND IMAGE: HOW IT SHAPES PURCHASE INTENTIONS IN THE COSMETICS INDUSTRY

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ABSTRACT
The current surge in business growth is closely linked to increasing competition. The cosmetics industry, in particular, is witnessing significant growth. This study examines how the credibility of endorsers and the attractiveness of advertisements influence purchase intentions through the brand image of cosmetic products in Purwokerto City. Conducted with 100 respondents using an accidental sampling method, data were collected via questionnaires and analyzed using Smart PLS 4.0. The findings reveal that endorser credibility and ad attractiveness do not directly impact purchase intention, whereas brand image positively influences purchase intention. Moreover, brand image serves as a mediator between endorser credibility, advertisement attractiveness, and purchase intention in Purwokerto City.

INTRODUCTION

Business development is currently experiencing a substantial increase, driven by competition (Pahlevi and Rahab, 2022). Companies must swiftly implement strategic planning to create superior quality products that satisfy consumers (Sari and Sudarwanto, 2022). The cosmetics industry is among those seeing rapid development. According to BPOM data (2024), the number of companies and cosmetics with distribution permits increased to 9,874 by August 2023. Consequently, companies face the challenge of catering to increasingly selective and cautious consumers (Prayuana and Andjarwati, 2013). A robust marketing strategy is essential to generate high purchase interest. Kotler (2008) defines purchase intention as a consumer behavior indicating the desire to buy or choose a product based on previous experiences or a desire for the product. This intention arises from marketing strategies employed by companies. Windyastari and Sulistyawati (2018) found that endorser credibility influences buying interest through brand image. Endorser credibility, as per Stafford (2002), is a positive characteristic that affects message acceptance by the receiver. High endorser credibility increases advertisement acceptance (Kussudyarsana, 2004; Ishak, 2008; Riskhi et al., 2018; Muna et al., 2024). Brand image also directly enhances purchase interest (Windyastari and Sulistyawati, 2018). Kotler (2008) explains that brand image is a brand perception described as an association existing in consumer memory. This is supported by Bhakar et al. (2013), who state that brand image precedes purchase intention. Studies by Ruslim and Andrew (2012), Wahyuni and Suparna

(2014), and Muna et al. (2024) found that higher brand image correlates with increased purchase intention.

Windyastari and Sulistyawati (2018) suggested future research should include variables affecting brand image and purchase intention. This study adds advertising attractiveness as an independent variable. Umayyah and Zulfa (2021) indicated that advertising attractiveness precedes purchase intention. Consumer interest in cosmetic products in Indonesia rose by 5.59% in 2020. Various innovations in product selection, marketing strategies, and distribution have influenced the Indonesian cosmetics industry.

Table 1. Total Sales of Cosmetic and Personal Care Products in Indonesia (2014-2022)

Year	US$ Billion	Percentage
2014	5,91	
2015	5,52	-7,07%
2016	5,86	5,80%
2017	6,15	4,72%
2018	6,11	-0,65%
2019	6,50	6,00%
2020	5,93	-9,61%
2021	6,34	6,47%
2022	7,23	12,31%

Source: databoks.katadata.co.id

The data in Table 1 illustrates that the revenue from the cosmetics and personal care market in Indonesia reached US$7.23 billion in 2022, equivalent to Rp. 111.83 trillion (at an exchange rate of Rp. 15,467.5 per dollar). However, annual fluctuations in revenue indicate variability. In 2015, revenue decreased to US$5.52 billion from US$5.91 billion in 2014. It then increased to US$5.86 billion in 2016 and US$6.15 billion in 2017. From 2018 to 2020, there was a notable revenue decline, which then increased to US$7.23 billion in 2022. This shows a high interest in cosmetic products among Indonesians, with an estimated annual growth rate of 5.81% from 2022 to 2027.

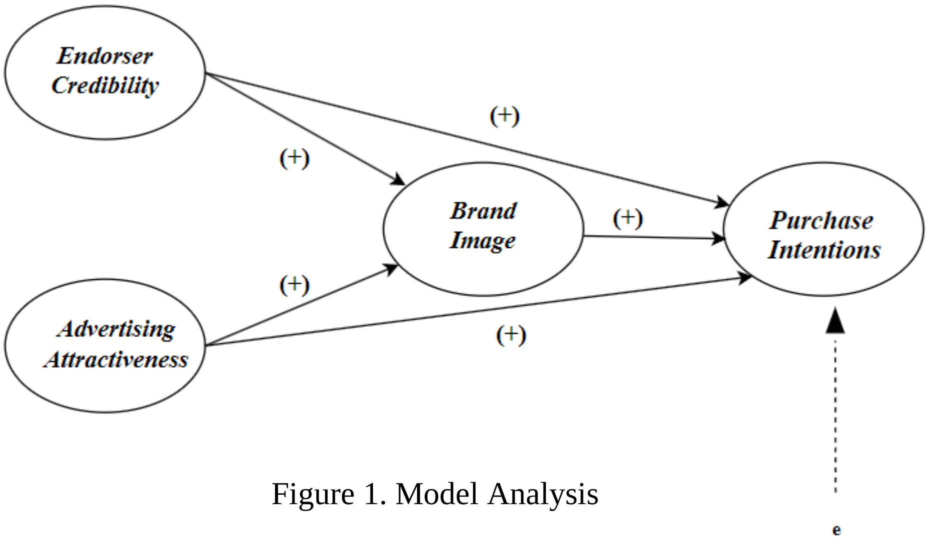

Figure 1. Model Analysis

METHOD

This quantitative research focuses on the purchase interest in cosmetic products in Purwokerto City. Using an accidental sampling technique, the study involved 100 respondents who completed questionnaires. Data were analyzed using SmartPLS 4.0. Endorser credibility was measured using three indicators from Dwivedi et al. (2011), advertising attractiveness with five items from Koli & Galih (2023), brand image with five items from Lien et al. (2015), and purchase intention with four items from Saputro & Sugiharto (2018).

RESULTS

Convergent validity

Table 2. Outer loading/factor loading

Indicator	Outer Loadings
X1.1 <- EC	0.718
X1.2 <- EC	0.883
X1.3 <- EC	0.781
X2.1 <- AA	0.745
X2.2 <- AA	0.771
X2.3 <- AA	0.862
X2.4 <- AA	0.792
X2.5 <- AA	0.857
Y.1 <- PI	0.824
Y.2 <- PI	0.833
Y.3 <- PI	0.772
Y.4 <- PI	0.700
Z.1 <- BI	0.847
Z.2 <- BI	0.834
Z.3 <- BI	0.880

Source: Data processed, 2024

All items in Table 2 have loading factors greater than 0.70, indicating their validity in measuring the variables.

Table 3. Average variance extracted (AVE)

	Average variance extracted (AVE)
Brand image	0.729
Advertising attractiveness	0.651

	Average variance extracted (AVE)
Endorser credibility	0.635
Purchase intentions	0.615

Source: Data processed, 2024

Based on table 3, the convergent validity level indicated by the AVE value of 0.661> 0.50 is indicated by a brand image of 0.729 meaning that the indicators in this research have met good convergent requirements with the variables of advertising attractiveness, endorser credibility, and purchase intention> 0.50.

Discriminant validity

Table 4. Fornell Lacker Criterion

	BI	AA	EC	PI
BI	0.854			
AA	0.554	0.807		
EC	0.535	0.626	0.797	
PI	0.662	0.516	0.422	0.784

Source: Data processed, 2024

The AVE root for brand image (0.854) is higher than its correlations with advertising attractiveness (0.554), endorser credibility (0.535), and purchase intention (0.662). This indicates that discriminant validity is met for all variables.

Table 5. HTMT

	Heterotrait-monotrait ratio (HTMT)
AA<->BI	0.650
EC<->BI	0.687
EC<->AA	0.810
PI<->BI	0.823
PI<->AA	0.604
PI<->EC	0.541

Source: Data processed, 2024

All HTMT values are below 0.90, indicating that the discriminant validity evaluation using HTMT is fulfilled.

Reliability

Table 6. Composite Reliability

	Cronbach's alpha	(rho_a)	Composite reliability
Brand Image (BI)	0.814	0.814	0.890
Ad Attractiveness (AA)	0.866	0.876	0.903
Endorser Credibility (EC)	0.715	0.745	0.838
Purchase Intentions (PI)	0.789	0.792	0.864

Source: Data processed, 2024

The results show that all variables have Cronbach's Alpha, Rho A, and composite reliability values above 0.70, indicating they meet the reliability criteria.

Inner VIF

Table 7. Inner VIF

	BI	AA	EC	PI
BI				1.575
AA	1.646			1.850
EC	1.646			1.797
PI				

Source: Data processed, 2024

The results of the inner VIF table are indicated by the resulting value < 5, the level of multicollinearity between variables is low.

Hypothesis Testing

Table 8. Hypothesis Testing

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values	f- square
BI ->PI	0.544	0.542	0.111	4.913	0.000	0.354
AA->BI	0.360	0.375	0.111	3.232	0.001	0.124
AA->PI	0.219	0.220	0.123	1.786	0.074	0.049
EC->BI	0.310	0.308	0.148	2.101	0.036	0.092
EC->PI	-0.006	-0.000	0.109	0.059	0.953	0.000

Source: Data processed, 2024

The results of the first hypothesis (H1) are accepted. Endorser credibility positively impacts brand image (path coefficient = 0.310, p-value = 0.036). Higher endorser credibility leads to a stronger brand image, with a significant influence (f-square = 0.092). Hypothesis (H2) is accepted. Advertising attractiveness positively affects brand image (path coefficient = 0.360, p-value = 0.001). More attractive ads enhance the brand image, with a moderate effect (f-square = 0.124). Hypothesis (H3) is accepted. Brand image positively influences purchase intention (path coefficient = 0.544, p-value = 0.000). A better brand image increases purchase intention, with a high influence (f-square = 0.354). Hypothesis (H4) is rejected. Endorser credibility does not affect purchase intention (path coefficient = -0.006, p-value = 0.953). Endorser credibility does not directly boost buying interest, with a negligible influence (f-square = 0.000). Hypothesis (H5) is rejected. Advertising attractiveness does not affect purchase intention (path coefficient = 0.219, p-value = 0.074). Attractive ads do not directly increase buying interest, with a minimal influence (f-square = 0.049).

Mediating Effect Test

Table 9. Mediating Effect Test

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values	Upsilon
AA->BI->PI	0.196	0.206	0.082	2.381	0.017	0.038
EC->BI->PI	0.169	0.164	0.085	1.973	0.049	0.028

Source: Data processed, 2024

Hypothesis 6 is accepted. The brand image variable significantly mediates the relationship between endorser credibility and purchase intention, with a path coefficient of 0.196 and a p-value of 0.017. This mediation is moderate at the structural level (upsilon = 0.038), according to Ogbeibu et al. (2020). Hypothesis 7 is Accepted. The brand image variable significantly mediates the impact of advertising attractiveness on purchase intention, with a path coefficient of 0.169 and a p-value of 0.049. The mediation effect is moderate at the structural level (upsilon = 0.028), as noted by Ogbeibu (2020).

DISCUSSION

Testing the first hypothesis (H1) reveals a positive impact of endorser credibility on brand image, with a path coefficient of 0.310 and a p-value of 0.036, indicating acceptance of H1. The higher the credibility of the endorser, the stronger the brand image. This significant effect is reflected in an f-square of 0.092. These findings align with Windyastari and Sulistyawati's (2018) research, which also indicates that endorser credibility positively influences purchase interest. The second hypothesis (H2) test shows that advertising attractiveness positively impacts brand image, with a path coefficient of 0.360 and a p-value of 0.001, leading to the acceptance of H2. More attractive advertisements result in a better brand image, though the effect is moderate, with an f-square of 0.124. This result is consistent with Umayyah and Zulfa's (2021) study, which also found that advertising attractiveness positively affects brand image. The third hypothesis (H3) indicates a positive effect of brand image on purchase intention, with a path coefficient of 0.544 and a p-value of 0.000, resulting in the acceptance of H3. A stronger brand image enhances purchase intention significantly, as shown by an f-square of 0.354. These findings are in line with Windyastari and Sulistyawati's (2018) research, which also reported a positive effect of brand image on buying interest. Testing the fourth hypothesis (H4) reveals that endorser credibility does not influence purchase intention, with a path coefficient of -0.006 and a p-value of 0.953, resulting in H4 being rejected. Endorser credibility does not directly boost consumer buying interest, with an f-square of 0.000 indicating a negligible effect. This finding contrasts with Windyastari and Sulistyawati's (2018) research, which suggested a direct positive impact of endorser credibility on purchase interest. The fifth hypothesis (H5) test shows no effect of advertising attractiveness on purchase intention, with a path coefficient of 0.219 and a p-value of 0.074, leading to the rejection of H5. Attractive advertisements do not directly increase buying interest, as indicated by an f-square of 0.049.

This result contradicts Umayyah and Zulfa's (2021) findings, which suggested a direct positive effect of advertising attractiveness on buying interest. Testing the sixth hypothesis (H6) reveals a significant effect of brand image in mediating the relationship between endorser credibility and purchase intention, with a path coefficient of 0.196 and a p-value of 0.017. The mediating role of brand image is moderate, with an upsilon of 0.038, resulting in H6 being accepted. This finding is supported by research from Ruslin and Andrew (2014), Wahyuni and Suparna (2014), and Windyastari and Sulistyawati (2018), which also indicated that brand image mediates the relationship between endorser credibility and purchase intention. The seventh hypothesis (H7) test indicates a significant effect of brand image in mediating the relationship between advertising attractiveness and purchase intention, with a path coefficient of 0.169 and a p-value of 0.049. The mediating role of brand image is moderate, with an upsilon of 0.028, leading to the acceptance of H7. This finding aligns with Umayyah and Zulfa's (2021) research, which also showed that brand image mediates the relationship between advertising attractiveness and purchase intention.

CONCLUSION

The research concludes that endorser credibility and advertising attractiveness significantly influence the brand image of cosmetic products in Purwokerto City. However, these variables do not directly impact purchase interest. The brand image effectively mediates the relationship between endorser credibility, advertising attractiveness, and purchase intention. The study acknowledges limitations, suggesting future research explore additional variables influencing brand image and purchase intention.

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