The Effect of Influencer Attributes on Purchase Intention with Perceived Characterizations and Brand Equity as Intervening Variables on Scarlett

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Abstract

The emergence of social media as a dominant platform for online engagement is a direct result of globalization; it has revolutionized human connection and laid the groundwork for new corporate strategies. The goal of this research is to identify the factors that influence consumers' intention to buy from influencers, controlling for perceived characterizations and brand equity. Data for this study was gathered quantitatively using non-probability sampling strategies based on purposive sampling, and then processed using SmartPLS version 3. For this study, 385 participants were surveyed, all of whom met the following criteria: familiarity with Scarlett products, an interest in purchasing, or actual purchase history; and exposure to Scarlett ads featuring social media influencers. Strong correlation between influencer attributes and buying intent. Influencers, their perception, and brand equity all affect buying intentions. Influencer traits greatly affect brand equity. Perceived characterizations and brand equity moderate influencer attributes and purchase intention.

Keywords: Influencer Attributes, Perceived Characterizations, Brand Equity, and Purchase Intention.

1. Introduction

The cosmetics market has exploded in recent years, propelling it to the forefront of the fast-moving consumer goods (FMCG) industry. According to Pressrelease.id (2024), the food and beverage industry accounts for 20.4% of FMCG sales in Indonesia, while the beauty and personal care industry contributes 49%, or around IDR 28.2 trillion. Statista predicts that the Indonesian beauty and personal care market will generate $12.5 billion in revenue by 2028, mirroring this growth, indicating that consumers are increasingly interested in this sector.

Along with the growing industry, local beauty brands have also risen in prominence, showing that Indonesian consumers are increasingly choosing domestic brands. This trend is evident in the fact that 60% of respondents in a Statista survey preferred local skincare brands over imported ones (Statista, 2023). Among these local brands, Scarlett Whitening stands out as a prominent player, initially gaining popularity through social media marketing and influencer endorsements. However, despite its early success, Scarlett has experienced fluctuations in sales, showing a declining trend in recent years due to increasing competition and the rise of other local brands such as Somethinc and Avoskin (Maulani & Suryana, 2023).

Instagram and TikTok's meteoric rise has changed consumer spending habits. Thought leaders on social media influence consumers' perceptions of a product and whether they buy it through their endorsements and reviews (Sokolova & Kefi, 2020). Their influence is amplified by the personal connections they establish with their followers, making them effective in persuading consumers to try new products (Lou & Kim, 2019). In particular, influencers associated with Scarlett, such as Dinda Hauw and Sandrina Michelle, with millions of followers, have been instrumental in promoting Scarlett's products.

However, the impact of influencers is not solely determined by their follower count. Their perceived characterizations such as trustworthiness, expertise, and parasocial relationships are critical in building credibility and influencing purchase decisions (Yılmazdoğan et al., 2021). The attributes of influencers, including physical attractiveness and social appeal, also play a significant role in how they are perceived by consumers (Lee & Watkins, 2016; Sokolova & Kefi, 2020). Furthermore, the brand equity of the products they endorse, including factors like perceived quality, brand awareness, and brand loyalty, are essential in determining the effectiveness of influencer marketing (Tansil & Tielung, 2014; Sharma, 2017).

This study aims to explore the effect of influencer attributes on purchase intention, with perceived characterizations and brand equity as mediating variables, focusing on the case of Scarlett Whitening. By examining the relationship between these variables, this research will contribute to a better understanding of how local beauty brands can effectively utilize influencer marketing to maintain competitiveness in the growing beauty industry in Indonesia.

2. Research Metodology

A quantitative approach was used in this study, and data was collected using non-probability sampling, more especially, purposive sampling. Selected from 385 participants, their familiarity with Scarlett products, their intent to purchase or previous transactions, and their exposure to Scarlett advertisements featuring social media influencers were the criteria for this study. In order to examine mediation relationships and other pertinent factors, the study employed a 1–5 Likert scale, with a range of very disagree to very agree (Sugiyono, 2022). SmartPLS version 3 was used for data analysis.

3. Literature Review

Influencer Attributes

Influencer qualities are viewed as supplementary signals in the field of persuasion theory. People who follow social media influencers form opinions about them depending on these characteristics. According to several studies (Lee & Watkins, 2016; Lou & Kim, 2019; Sokolova & Kefi, 2020), three important factors that distinguish influence are attitude homophily, physical attractiveness, and social attractiveness. Since influencer marketing is defined by a greater degree of audience engagement, these qualities take center stage (Arora et al., 2019).

Perceived Characterizations

What we call "perceived characterizations" are the traits that people think an influencer has. There are three main characterization constructs that the researcher found in their literature review: 1) Reliability, 2) Perceived Competence, and 3) Interpersonal Bonds (Djafarova & Rushworth, 2017; Ki & Kim, 2019; Lim et al., 2017; Lou & Kim, 2019; Schouten et al., 2020; Sokolova & Kefi, 2020).

Brand Equity

Since its inception in the 1990s, the concept of brand equity has garnered considerable attention in mark-

eting literature (Aaker, 1991; Faircloth et al., 2001; Keller, 1993). In his 1991 book Managing Brand Equity, David A. Aaker defines brand equity as "the subjective and context-dependent assessment of the value added or diminished by a brand's assets and liabilities" (Aaker, 1991; Keller, 1993). Brand equity is the monetary worth of a brand that reflects the value that a company receives from owning the brand (Kotler et al., 2022). Customer value can be generated by brand equity through improved information processing, increased purchase confidence, and easier decision-making. Businesses also gain from it because it boosts the effectiveness of their marketing campaigns, customer loyalty, pricing, profitability, trade leverage, and competitive advantage. It follows that consumers and businesses alike can benefit greatly from efforts to boost brand equity.

Purchase Intention

According to Dodds et al. (1991), a consumer's subjective and overall evaluations of a product or service determine their purchase intention. It can also mean deciding to try to buy something on purpose (Spears & Singh, 2004). All the mental and physical shifts that occur before deciding to buy or make use of a service or good are collectively known as "purchase intention" (Nagori, 2020). Based on their past experiences, wants, and needs, it shows how prepared the customer is to buy, use, and adapt the offering (Kotler & Keller, 2020). Furthermore, the ability to anticipate purchase actions, through purchase intention, is a crucial factor in marketing success (Rahmi et al., 2017; Peña-García et al., 2020; Shin & Biocca, 2017). Important indicators include the intention to purchase advertised products and to suggest them to others, as well as individual reactions and evaluations that influence purchase decisions (Dewi et al., 2021; Sokolova & Kefi, 2020). The degree to which consumers are confident in making a purchase is reflected in their purchase intention, which in turn influences their actual purchasing behavior and the information they seek out to fulfill their needs and desires (Balakrishnan et al., 2014; Rahim et al., 2016).

## 4. Theoretical Framework

Figure 1: Theoritical Framework
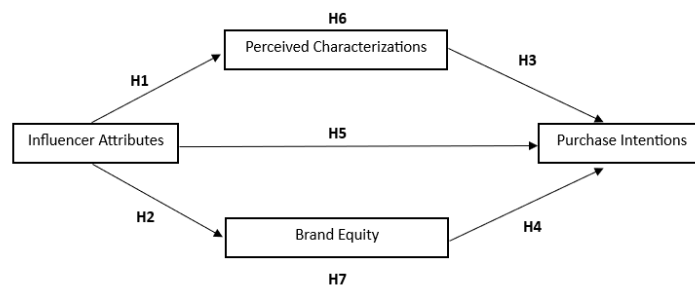
The hypothesis serves as a provisional answer in research. The proposed hypotheses are as follows:

H1: Influencer Attributes have a significant effect on Perceived Characterizations.

H2: Influencer Attributes have a significant effect on Brand Equity.

H3: Perceived Characterizations have a significant effect on Purchase Intention.

H4: Brand Equity has a significant effect on Purchase Intention.

H5: Influencer Attributes have a significant effect on Purchase Intention.

H6: Influencer Attributes affect Purchase Intention through Perceived Characterizations.

H7: Influencer Attributes affect Purchase Intention through Brand Equity.

5. Result and Discussion

Outer Model

The outer model, also called the measurement model, shows how each indicator block relates to its latent variable, as stated by Ghozali & Latan (2020). To evaluate the reliability of the instruments and the validity of the constructs, the outer model is utilized. It is useful for figuring out whether the research instrument can measure the right things, whether the measurement tool is consistent in capturing concepts, and whether respondents are consistent in answering research instruments or questionnaires. In order to validate the outer model, we used the following Smart PLS 3.0 model :

Figure 2: Outer Model
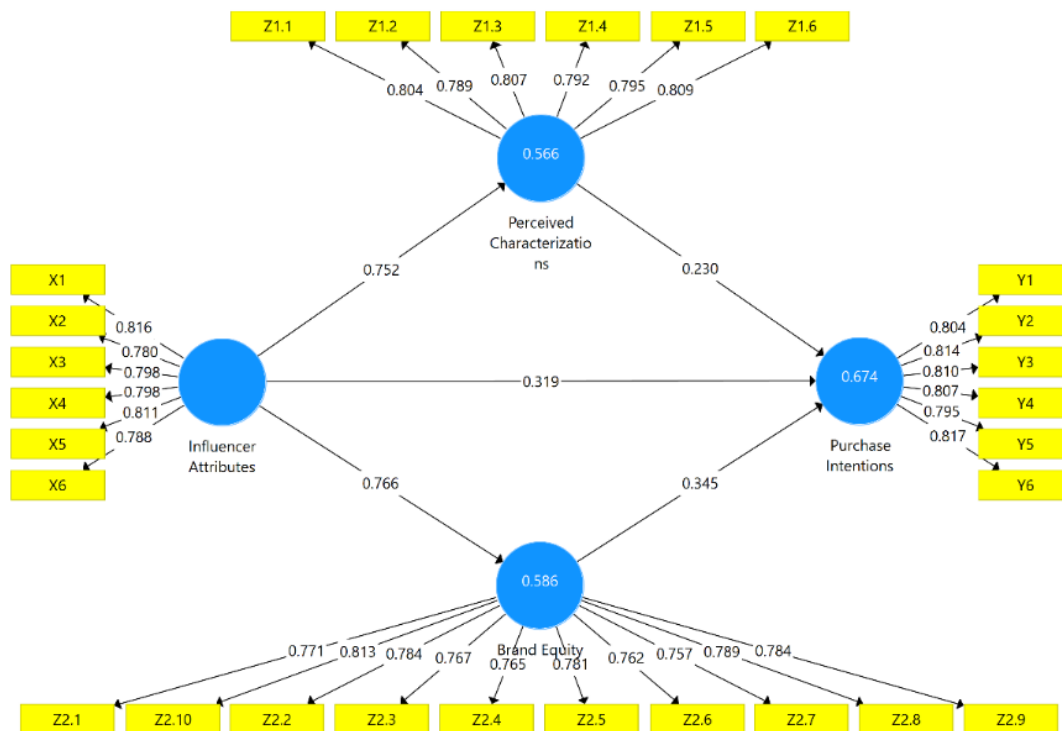
Convergent Validity

Table 1: Convergent Validity Values

Variables	AVE	Criticals Values	Model Evaluations
Influencer Attributes	0.605		Valid
Perceived Characterizations	0.638	> 0,5	Valid
Brand Equity	0.639		Valid
Purchase Intention	0.653		Valid

Table 1 shows that all variables have AVE values greater than 0.5, proving construct validity and convergent validity.

Discriminant Validity

Examining cross-loading values is one way to assess discriminant validity. If an indicator has the greatest cross-loading value for its target variable relative to other variables, we say that it has good disc-

riminant validity. You can find the cross-loading values for all the indicators in the table below.

Table 2: Discriminant Validity (Cross Loading)

	Influencer Attributes	Perceived Characterizations	Brand Equity	Purchase Intentions
IA1	0.816	0.634	0.581	0.597
IA2	0.780	0.602	0.616	0.597
IA3	0.798	0.608	0.605	0.606
IA4	0.798	0.600	0.618	0.621
IA5	0.811	0.589	0.633	0.593
IA6	0.788	0.571	0.615	0.608
PC1	0.592	0.804	0.615	0.591
PC2	0.604	0.789	0.637	0.585
PC3	0.598	0.807	0.593	0.605
PC4	0.586	0.792	0.588	0.570
PC5	0.606	0.795	0.602	0.589
PC6	0.620	0.809	0.640	0.581
BE1	0.551	0.563	0.771	0.576
BE2	0.607	0.600	0.784	0.603
BE3	0.596	0.576	0.767	0.608
BE4	0.606	0.588	0.765	0.606
BE5	0.600	0.640	0.781	0.587
BE6	0.588	0.576	0.762	0.546
BE7	0.564	0.581	0.757	0.553
BE8	0.615	0.630	0.789	0.620
BE9	0.589	0.566	0.784	0.612
BE10	0.632	0.635	0.813	0.633
PI1	0.578	0.583	0.586	0.804
PI2	0.632	0.600	0.658	0.814
PI3	0.632	0.581	0.639	0.810
PI4	0.609	0.546	0.605	0.807
PI5	0.595	0.649	0.607	0.795
PI6	0.616	0.599	0.612	0.817

The table shows that each indicator's variable has the highest cross-loading value. Thus, this study's indicators have good discriminant validity.

Reliability Test

Two methods can be used to conduct the reliability test in the measurement model, according to Sholihin & Ratmono (2021): Composite reliability, Cronbach's Alpha. Cronbach's Alpha must be greater than 0.6 and Composite Reliability greater than 0.7 for a dataset to be reliable. Here are the study's reliability test results.

Table 3: Reliability Test

Variables	Composite Reliability	Criticals Values	Croanbarch's Alpha	Criticals Values	Model Evaluations
Influencer Attributes	0.914		0.886		Reliable
Perceived Characterizations	0.914	>0.7	0.887	>0.6	Reliable
Brand Equity	0.939		0.927		Reliable
Purchase Intentions	0.919		0.894		Reliable

Cronbach's Alpha values greater than 0.6 and composite reliability values greater than 0.7 indicate that all four variables are reliable instruments for measuring this study's variables.

Results of Structural Model Testing (Inner Model)

Figure 3: Inner Model
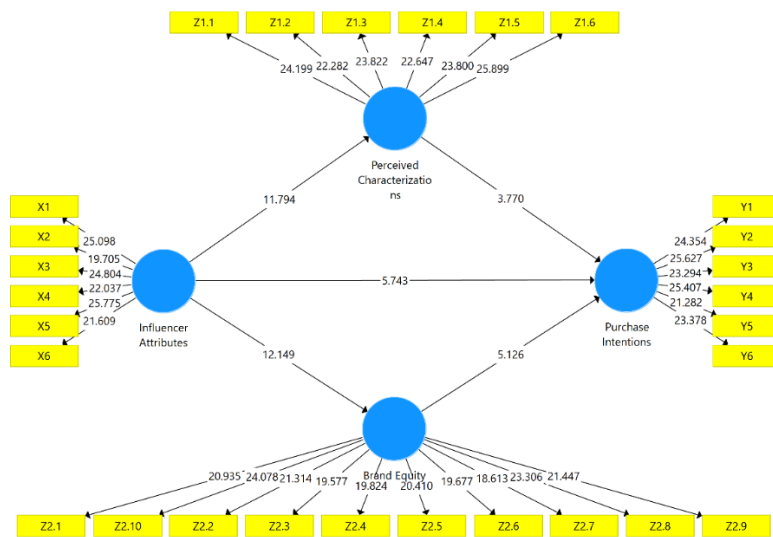
In the inner model path diagram, the latent variables are represented by blue circles, while each indicator is shown by a yellow box. A numerical representation of the hypothesis result or path coefficient is shown by each arrow. The figure's inner model shows that influencer attributes have the largest path coefficient on brand equity, 12.149. Influencer attributes have the second-largest effect on perceived characterizations, 11.794, while perceived characterizations have the smallest effect on purchase intention, 3.770. All inner model variables have positive path coefficients. When the path coefficient between two variables is high, the independent variable affects the dependent variable significantly.

R-Square

Table 4: R-Square

Variables	R Square (R^2)
Perceived Characterizations	0.566
Brand Equity	0.586
Purchase Intentions	0.674

Table 4 shows moderate explanatory power from the variables' R-squared values. The model's exogenous variables explain 56.6% of perceived characterization variability, according to the R-squared value of 0.566. Unstudied factors affect 43.4%. Brand equity's R-squared is 0.586, indicating that exogenous variables explain 58.6% of variability and 41.4% to unexplored factors. Finally, the model's exogenous variables explain 67.4% of purchase intention variability with an R-squared of 0.674. Unstudied factors may affect 32.6%.

Predictive Relevance

Table 5: Predictive Relevance

Variables	SSO	SSE	Q² (=1-SSE/SSO)
Perceived Characterizations	2310,000	1498,192	0,351
Brand Equity	3850,000	2520,885	0,345
Purchase Intentions	2310,000	1317,890	0,429

The model has predictive relevance, as shown in Table 5, because all three Q² values perceived characterizations (0.351), brand equity (0.345), and purchase intention (0.429) are greater than zero.

Hypotesis Thesting

The SmartPLS software was used to test hypotheses, with the bootstrapping technique being specifically applied. After the variables were measured, the data utilized for bootstrapping was gathered. When examining the significance of the relationships between constructs, t-statistics, and p-values are used to accept or reject hypotheses. Statistical significance was determined with a p-value greater than 0.05, and a t-value greater than 1.96 for two-tailed tests with positive beta coefficients indicate that the hypothesis is accepted in this study. The table below summarizes the results of the hypothesis testing.

Table 6: Hypotesis Thesting

Hy-pothesis	Relationship Between Variables	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics	P-Values	Results
H1	Influencer Attributes -> Perceived Characterizations	0.752	0.746	0.064	11.794	**0.000**	Accepted (Significant)
H2	Influencer Attributes -> Brand Equity	0.766	0.758	0.063	12.149	**0.000**	Accepted

							(Significant)
H3	Perceived Characterizations -> Purchase Intentions	0.230	0.229	0.061	3.770	**0.000**	Accepted (Significant)
H4	Brand Equity -> Purchase Intentions	0.345	0.346	0.067	5.126	**0.000**	Accepted (Significant)
H5	Influencer Attributes -> Purchase Intentions	0.319	0.313	0.056	5.743	**0.000**	Accepted (Significant)
H6	Influencer Attributes -> Perceived Characterizations -> Purchase Intentions	0.173	0.172	0.051	3.380	**0.001**	Accepted (Significant)
H7	Influencer Attributes -> Brand Equity -> Purchase Intentions	0.264	0.263	0.060	4.381	**0.000**	Accepted (Significant)

6. Conclussion and Suggestions

Conclusion

This study explores the impact of influencer attributes on purchase intentions, with a focus on perceived characterizations and brand equity as intermediary factors. Key findings suggest that influencer attributes significantly affect both perceived characterizations and brand equity. When consumers perceive influencers positively, it enhances their view of the brand and their intention to make a purchase.

In simpler terms, if influencers are seen as trustworthy, attractive, and relatable, they improve the perception of the brand they endorse. This, in turn, increases the likelihood that consumers will buy the

product. Additionally, the brand's reputation and its perceived value further amplify this effect, making consumers more inclined to purchase.

The research shows that these factors work together in influencing consumer behavior. Positive attributes of influencers not only boost the brand's image but also drive purchase intentions directly and indirectly through improved brand perception. These insights are valuable for companies looking to leverage influencer marketing effectively to enhance consumer engagement and drive sales.

Suggestions for Future Researchers

For future researchers, it is recommended to explore additional variables that may influence the relationship between influencer attributes and purchase intention, such as consumer trust, engagement, or perceived authenticity. Incorporating different product categories or expanding the research to other social media platforms could provide a broader understanding of how influencers impact various markets. Additionally, future studies could employ longitudinal designs to observe how these effects evolve over time, as well as examine cross-cultural contexts to assess the generalizability of the findings in different cultural settings.

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