THE IMPACT OF ONLINE COSTUMER REVIEW AND CELEBRITY ENDORSEMENT ON PURCHASE INTENTION
(Case Study of Nanospray MCI Indonesia)

DAMPAK KONSUMEN ONLINE REVIEW DAN CELEBRITY ENDORSEMENT TERHADAP NIAT BELI
(STUDY KASUS Nanospray MCI Indonesia)

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ABSTRACT
Facial treatments become one of the important roles to maximize appearance. In recent years comes tool for skin care, namely Nanospray of MCI Indonesia. A care tools that became very popular in the society. Many customers buy a product and then give a review of the benefits obtained from the product. There were also many the celebrities advertise these products. The purpose of this study was to find out the influence of online customer reviews and celebrity endorsements to the customers purchase intention on Nanospray MCI Indonesia. The method used to analyze the data is Multiple Regression Analysis. The population observed is consumers who ever bought a product of Nanospray MCI Indonesia in Manado, North Sulawesi with sample size of 100 respondents. The results of this research showed a significant influence of online customer reviews and celebrity endorsements to the customer's purchase intention simultaneously. Recommendations the researcher suggest to paying attention on Celebrity endorsement, because Celebrity endorsement has a strong effect on consumer memory and learning approach too. Likewise with online customer review also suggested that the marketers should give a good perception and motivation for consumers to understand the products offered.

Keywords: Online Costumer Review, Celebrity Endorsement, Customer Purchase Intention

ABSTRAK

Kata kunci: Konsumen Online Review, Celebrity Endorsement, Niat Beli.
1. INTRODUCTION

Research Background

View of the World that demanded a change of mindset in all areas. One of which is the change in the marketing. Company must be able to compete and maintain business in a severe business environment. Increasingly fierce competition makes every company must more cautious in setting the strategy for marketing the product in the community. More and more people are using the internet to buy products and services. The conveniences of accessing the internet only through smartphone and PC. Some people prefer online shopping because it offers convenience.

Review is a general survey of something, especially in words; a report or account of something. Inspection or examination by viewing. Especially a formal inspection. Seeing the many online business in Indonesia featuring testimonials or customer reviews, not just a mere display, Company serving customers such comments, acutely aware of importance of the response from their customers.

Celebrity is fame and public attention in the media, usually applied to a person. Celebrity status is commonly referred to as fame and fortune and fame can often provide opportunities to make money. Celebrities are well recognized personalities having a strong attractive and impressive power to pursue the audience either by their likeness, attractiveness, trust or by their congruence with brand which leads in value in viewers’ minds. Marketers can admit celebrity endorsement because their can effect to deliver the message for make public have intention to their product.

Now products are much in demand that began Nanospray. Nanospray are medical devices and beauty. NanoSpray MCI is a high-tech skin care products from Japan that can reduce the appearance of frown lines on the skin, accelerate the replacement of skin cells and helps prevent cell damage and moisturize the skin is sensitive. Nanospray already widely used in Japan and became a top 10 products were sold in 2010 because it has been proven, Nanospray entry into Indonesia in 2011 in just over 2 years Nanospray already widely sold in Indonesia. Consumers who use the product nanospray then provide a review of the product Nanospray and Many Celebrity trusted to promote product Nanospray in getting the interest of the public to buy products nanospray. usually the celebrity promoting nanospray using their instagram account. Because now celebrities fans using Instagram as media to see what an idol they use, or what is their idol liked.

Research Objective

Based on the research problems, the objectives of this research are:
1. To analyze the influence of Online Customer Review and Celebrity Endorsement on Consumer Purchase Intention to buy MCI Nanospray simultaneously.
2. To analyze the influence Online Customer Review of Consumer Purchase Intention to buy MCI Nanospray partially.
3. To analyze the influence Celebrity Endorsement of Consumer Purchase Intention to buy MCI Nanospray partially.
Theoretical Framework
Marketing

According to definition by Kotler and Armstrong (2006) Marketing is communicating the value of a product, service or brand to customers, for the purpose of promoting or selling that product, service, or brand. Burns and Bush (2006) defined marketing as an organization function, not a group of persons or separate entity within the firm. According to the American Marketing Association (2013) Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.

Consumer Behavior

Khan M (2006:4) defined consumer behavior as the decision-making process and physical activity involved in acquiring, evaluating, using, and disposing of goods and services. According to Abbasi and Torkamani (2010) consumer behavior is different in different people. Because people have different desires and needs, so their behavior is different. And the difference consumer behavior make predict consumer behavior more difficult, to resolve this problem can categories the market.

Online Customer Review

Online costumer reviews are a phenomenon that occurs on the Internet which has its roots in word-of-mouth communication. Online review is similar to the messenger of traditional word-of-mouth communication. It is considered as a new form of recommender (Chatterjee, 2001). According to Mudambi and Schuff (2010), online reviews can be defined as peer-generated product evaluations posted on an online retailer’s or a third party’s website.

Celebrity Endorsement

Celebrity was a person whose name could grab public attention, arouse public interest and generate profit from the public (Gupta, 2009). The study from (Friedman and Friedman, 1979), defined that celebrity endorser is an individual who is known to the public (actor, sports figure, entertainer, etc) for his or her achievements in areas other than that of the product class endorsed. Celebrity endorsement strategy was an effective way to differentiate among the similar products in the market.

Customer Purchase Intention

Kotler and Amstrong (2013) describe purchase decision or purchase intention as the stage of the buyer decision in which the consumer actually buys the product. Blackwell and Miniard (2005) present the most recognized model of consumer purchase decision-making. This model divides the consumer purchase decision process into five stages: (1) problem recognition, (2) information search, (3) alternative evaluation, (4) purchase decision, and (5) post-purchase behavior.

Hypoteses Testing

There are three hypotheses testing in this research that can be tested, regarding of the problems and objectives, which are:
H1 There is significant influence of Online Customer Review and Celebrity Endorsement on Consumer Purchase Intention to buy MCI Nanospray simultaneously.
H2 There is a significant influence of Online Customer Review on Consumer Purchase Intention to buy MCI Nanospray partially.
H3 There is a significant influence of Celebrity Endorsement on Consumer Purchase Intention to buy MCI Nanospray partially

2. RESEARCH METHOD

Type of Research

This research type is causal uses quantitative type of research. Quantitative research or quantitative method based on Sugiyono (2013) defined as research method based on positivism paradigm that used to investigate spesific population or samples. This research in field of marketing management will investigate The Impact of Online Consumer Review and Celebrity Endorsement on Consumer Purchase Intention. (case on naspray mci Indonesia product)

Place and Time of Research

This research will be conduct in Manado, North Sulawesi. from march to april 2016.

Population and Sample

The population refers to the entire group of people, events, or things of interest that the researcher wishes, it is the group of people, events, or things of interest for which the researcher wants to make inferences (Sekaran, 2009). Target population in this study were people around of This research investigated in population Manado North Sulawesi. A conclusion can be made from the sample about the population to achieve the research objective (Saunders et al. 2007). Sekaran (2009) defines sample as a subset of the population. This research is purposive sampling is a researcher chooses specific people within the population to use for a particular study or research project. The sample of this research is 100 respondents. 100 questionnaires distributed to all respondents are willing to actually fill out questionnaires

Data Analysis Method

To see the influence of these factors on the camel on the financial performance of banks listed on Indonesia Stock Exchange in this study used multiple linear regression analysis method. Multiple regressions are used to express the effect of independent variables and the dependent variable. The formula of linear regression (multiple linear regressions) in general as follows:

\[ Y = a + b_1x_1 + b_2x_2 + e \]

Where:
- \( Y \) = Purchase Intention
- \( X_1 \) = Online Customer Review
- \( X_2 \) = Celebrity Endorsement
- \( A \) = constant
- \( b_1, b_2 \) = the regression coefficient of each variable
- \( e \) = error

Multiple regression coefficient of correlation (R)
The measurement of coefficient correlation or R (Sarwono, 2006) is:

- 0 : There is no correlation among independents and dependent variable
- 0 – 0.25 : The correlation is weak
- 0.25 – 0.5 : The correlation is enough
- 0.5 – 0.75 : The correlation is strong
- 0.75 – 0.99 : The correlation is very strong
- 1 : The correlation is perfect among independents and dependent variable

**Multiple regression coefficient of determination (R^2)**

The coefficient of determination (R^2) measures how far the ability of a model in explaining variation of dependent variable. The value of coefficient of determination is between 0 and 1. The coefficient of determination (R^2) measures how far the ability of a model in explaining variation of dependent variable. The value of coefficient of determination is between 0 and 1

**F-Test**

An F-Test is any statistical test intended to determine whether the independent variables simultaneously influence the dependent variable (Malhotra 2007).

To test the regression coefficient simultaneously, it used the statistical test of F-Test as follows:

a. If F_{count} > F_{table} as confidence level of 95% (α=0.05), it means that the independent variable significantly affect the dependent variable. Thus the alternative hypothesis (H_1) is accepted and the original hypothesis (H_0) is rejected.

b. If F_{count} < F_{table} as confidence level of 95% (α=0.05), it means that the independent variable significantly does not affect the dependent variable. Thus the original hypothesis (H_0) is accepted and the alternatives hypothesis (H_1) is rejected.

**T-Test**

A T-Test is any statistical test intended to determine whether the independent variables partially influence the dependent variable.

To test the regression coefficient partially, it used the statistical test of T-Test as follows:

a. If T_{count} > T_{table} as confidence level of 95% (α=0.05), it means that the independent variable significantly affect the dependent variable.

b. If T_{count} < T_{table} as confidence level of 95% (α=0.05), it means that the independent variable significantly does not affect the dependent variable.

### 3. RESULT AND DISCUSSION

**Validity Test**

Validity test is used to know whether the instrument is valid or not. The instrument is valid if the value of variable is positive and more than 0.3 (r > 0.3).

<table>
<thead>
<tr>
<th>Variable/Indicator</th>
<th>Pearson Correlation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saya merasa Nanospray MCI yang saya beli memiliki kualitas yang saya bayangkan.</td>
<td>0.570</td>
</tr>
</tbody>
</table>

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Lavenia Sondakh 300
Saya merasa nanospray MCI yang saya beli berfungsi sesuai dengan informasi. 0.701
Review para pengguna nanospray menjadi informasi untuk saya, untuk membeli nanospray MCI. 0.745
Saya tertarik dari review pengguna nanospray MCI tentang design nanospray yang selalu dikembangkan. 0.668
Saya memperoleh pengetahuan sebanyak mungkin mengenai kelebihan dari nanospray MCI dengan produk lain. 0.534
Penampilan selebriti untuk promosi nanospray membuat saya tertarik membeli nanospray MCI. 0.669
Saya tertarik membeli nanospray MCI kerena selebriti yang mempromosikan nanospray MCI benar-benar menggunakan nanospray MCI 0.665
Saya mengetahui nanospray MCI melalui sosial media selebriti favorit saya. 0.677
Selebriti-selebriti dalam mengiklankan nanospray MCI berpengaruh positif. 0.634
Saya ingin membeli nanospray MCI karena company mereka dapat dipercaya. 0.724
Saran dari keluarga membuat saya tertarik membeli nanospray MCI. 0.755
Design yang elegant membuat saya tertarik membeli Nanospray MCI 0.595
Saya tertarik membeli Nanospray MCI karena cara pembayaran unik dan terpercaya. 0.756
Saya tertarik membeli Nanospray MCI karena nanospray cocok dengan semua jenis kulit. 0.649

Source: Data Process, 2016

From the table above shows the validity test of variable Online Customer Review (X1), Celebrity Endorsement(X2), Customer Purchase Intention (Y) are bigger than r value. The table shows the total number for X1 - Y is above 0.3, means that all the indicators are valid.

Classical Assumption

Autocorrelation

A good regression model must be free from autocorrelation. Autocorrelation can be detected by using D – W (Durbin –Watson) test.

Table
Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1.720</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), CE, COR
b. Dependent Variable: PI

Source: SPSS Output, 2016.
Based on the table 4.6, the value of the Durbin-Watson is 1.720 which means there is no autocorrelation in this regression.

Multicolinearity

Table 3. Multicolinearity Test
Table above shows the calculation of Multicolinearity. Moreover, it can be known through the VIF and tolerance, whereby if the value of VIF and tolerance to be around the number <10 then the regression model above are free from multicolinearity. Based on the results in the table above can be seen by SPSS output does not occur because the symptoms of multicolinearity VIF value of X1,X2 is below numbers< 10, this means that there is no connection between the independent variables. Thus, multicolinearity as sumptions are met (free of multicolinearity).

Heteroscedastisity Test

Based on the graph above it can be seen that there is no established pattern, in other words the graph describing the plot spread above and below the number 0 (zero) on the Y-axis. This proves that the independent variable is free of Heteroscedastisity

Multiple Regression Analysis

In calculating the regression between independent variables and dependent variable, with the help of a computer program package Based on the statistical software SPSS Version 20, of the data processing on the attachment is as follows:

<table>
<thead>
<tr>
<th>Variable</th>
<th>B</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>.264</td>
</tr>
<tr>
<td>X1</td>
<td>.232</td>
</tr>
<tr>
<td>X2</td>
<td>.481</td>
</tr>
</tbody>
</table>

Source: Data Process, 2016
From the analysis, obtained by linear regression equation as follow:

\[ Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e \]

\[ Y = 0.264 + 0.232X_1 + 0.481X_2 + e \]

Notes:
- \( Y \) = Customer Purchase Intention (Dependent Variable)
- \( X_1 \) = Online Customer Review (independent variable)
- \( X_2 \) = Celebrity Endorsement (independent variable)

From the multiple linear regression equation above, it can inform the interpretation as follows:
1. Constant value of 0.264 means that if the variables in this research of Variable X1, X2, X3 simultaneously no change or equal to 0, Y will increase at 0.264 point.
2. Coefficient value of 0.232 means that if the variables in this research of X1 increased by one scale or one unit, it will improve and increase Y at 0.264.
3. Coefficient value of 0.481 means that if the variables in this research of X2 increased by one scale or one unit, it will improve and increase Y at 0.264.

Hypothesis Testing

F-Test

Simultaneous testing conducted to determine The Influence of X1, X2 on Y hypothesis test is carried out simultaneously by using F numbers in the table below. Testing is done by comparing the number of significant level of calculation results with significance level 0.05 (5%) with the following criteria:

- If \( F_{\text{count}}(\text{sig}) > 0.05 \) then Ho is accepted and Ha rejected
- If \( F_{\text{count}}(\text{sig}) < 0.05 \) then Ho is rejected and Ha accepted

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>34.918</td>
<td>2</td>
<td>17.459</td>
<td>86.992</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>19.468</td>
<td>97</td>
<td>.201</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>54.386</td>
<td>99</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: PI
b. Predictors: (Constant), CE, COR

Source: SPSS Output, 2016.

The level of significant of \( 0.02 \) and degree of freedom \( (21) \) is 100, the \( F_{\text{table}} \) from F distribution table is \( F_{3; 100; 0.05} = 2.70 \), while \( f_{\text{count}} \) is 54.323 then the result is \( f_{\text{count}} > f_{\text{table}} : 86.992 > 2.70 \). Since the \( f_{\text{count}} \) is greater than \( f_{\text{table}} \), H0 is rejected and H1 is accepted. It means that the independent variables significantly affect the dependent variable simultaneously.

T-test

Partial test is used to test the effect of each independent variable X1, X2 in partial effect on Y by performing comparisons between the \( t_{\text{count}} \) values with \( t_{\text{table}} \) value at \( \alpha = 0.05 \) or compare the probability of the real level 95% of the partial coefficient (r) so that it can be seen the influence of the independent variables individually. Using the criteria of hypothesis testing by t test as follows:

- If \( t_{\text{count}} < t_{\text{table}} (0.05) \), then H0 is accepted and rejecting Ha.
\( t_{\text{count}} > t_{\text{table}} (0.05) \), then \( H_0 \) is rejected and accepting \( Ha \).

The data table below shows the t-test partially results:

<table>
<thead>
<tr>
<th>Table 7. Partial Test Analysis Table (t-test)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
</tr>
<tr>
<td>-------</td>
</tr>
<tr>
<td>( X_1 )</td>
</tr>
<tr>
<td>( X_2 )</td>
</tr>
</tbody>
</table>

*Source: Data Process, 2016*

1. **Online Customer Review (\( X_1 \)) on Consumer Purchase Intention (\( Y \))**
   
   The \( T_{\text{count}} \) of Online Customer Review (\( X_1 \)) is 5.868 while \( T_{\text{table}} \) is 1.984. Since the \( T_{\text{count}} \) is greater than \( T_{\text{table}} \), \( H_0 \) is rejected and \( H_1 \) is accepted. Therefore, Online Customer Review has significant effect on Consumer Purchase Intention.

2. **Celebrity Endorsement (\( X_2 \)) on Consumer Purchase Intention (\( Y \))**
   
   The \( T_{\text{count}} \) of Time (\( X_2 \)) is 6.660 while \( T_{\text{table}} \) is 1.984. Since the \( T_{\text{count}} \) is greater than \( T_{\text{table}} \), \( H_0 \) is rejected and \( H_1 \) is accepted. Therefore, Celebrity Endorsement has a significant effect on Consumer Purchase Intention.

**Coefficient Correlation (R)**

The correlation coefficient is used to measure the The Influence of independent variable on dependent variable. The correlation coefficient values can be seen in the table:

<table>
<thead>
<tr>
<th>Table 5. Coefficient Correlation (R) and (R2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
</tr>
<tr>
<td>-------</td>
</tr>
<tr>
<td>1</td>
</tr>
</tbody>
</table>

*Source: Data Process, 2016*

The value of coefficient correlation (R) that is shown in Table 5 means that there is significant relationship between the three independent variables and dependent variable. It is because the value of R is 0.801 which proves that the relationship among variable independents and dependent is very strong.

**Coefficient Determination (R2)**

To determine the contribution Influence of \( X_1, X_2 \) on \( Y \) can be seen that the determinant of the coefficient (R2) in the table above, R2 value of 0.642 in this study may imply that the contribution of Independent variable on dependent variable of 64% while the remaining 36% is affected by other variables not examined in this study.

**Discussion**

With the multiple regression analysis method, the regression procedure has divided the variables into two variables that are dependent variable and independent variables. The researcher analyzed how Online Customer Review (\( X_1 \)), Celebrity Endorsement (\( X_2 \)), influence on Consumer Purchase Intention (\( Y \)) located in Manado, North Sulawesi.

**Online Customer Review (\( X_1 \)) on Consumer Purchase Intention (\( Y \))**

The study found that Online Consumer Review is one of the factors that influence people to share information. Online Consumer Review influences Consumer Purchase Intention, because it provides information. The information shared in social media based on their good experiences before. Experience means they feel the quality of the product and a good efficacy of the nanospray product. Those experiences build the consumers trust and may trigger the consumers to share...
information about the product. In addition, a positive perception of the consumer such as good quality of product and functionality of products in accordance with the hope of making consumers give a good review. This providing motivation to the potential buyers who have not been convinced of this product. Analyzing the influence of Online Customer Review on Consumer Purchase Intention, The researcher has found the similar result with previous study by Elwalda and Kevin Lu (2007) that show developing an understanding the impact of the valence OCRs on customer perception, motivation and attitudes to customer purchase intentions. That means Online Customer Review leads to the Consumer Purchase Intention.

**Celebrity Endorsement** (X₂) on **Consumer Purchase Intention** (Y)

The study found that Celebrity Endorsement as the dominant influence compare with the other variables that influence Consumer Purchase Intention in Manado. Attractiveness and Trustworthiness is very important in consumer purchase intentions. Celebrity charisma that attracted the attention of consumers tempted to have nanospray. Other than that of the celebrities who trusted to make consumers believe that they are purchasing a product that has the best quality and trustworthy. Analyzing the influence of Celebrity Endorsement on Consumer Purchase Intention, the researcher has found the similarities and differences result with previous study by Ruchi Gupta, Nawal Kishore, DPS Verma (2015) the results of the study revealed that celebrity endorsements have a significant impact on consumers’ purchase intention. However, as revealed by the beta coefficient (r), there exists a low degree of correlation between the two. Further, it was proved that attractiveness and trustworthiness of a celebrity endorser have a significant impact on consumers’ purchase intention. However, expertise of a celebrity endorser does not significantly impact consumers’ purchase intention. However, Farah Naz Baig and Dr. Kamran Siddiqui (2012) that shown the trustworthiness, attractiveness and expertise can lead to credibility of the celebrity, which in turn could affect the attitude towards the brand that the endorser is endorsing. However, does indicate any positive results in terms of motivation of people to purchase the product when it come to celebrity endorsement.

### 4. CONCLUSION AND RECOMMENDATION

**Conclusion**

Based on the analysis and discussion that has been stated in the previous chapter, the authors draw some conclusions as follows:

1. There are significant influence of Online Consumer Review and Celebrity Endorsement on Customer Purchase Intention to Nanospray MCI product simultaneously.
2. Online Customer Review with indicators Perception and Motivation. There is significant influence on Customer Purchase Intention to Nanospray MCI product.
3. Celebrity Endorsement with indicators Product Attributes, Socio cultural. There is significant influence on Customer Purchase Intention to Nanospray MCI product.
4. The equation of multiple linear regression obtained in this research assumed Celebrity Endorsement as the dominant influence compare with the other variables that influence on Customer Purchase Intention to Nanospray MCI product

**Recommendation**

From the conclusions that have been raised previously, then the next author will present suggestions as inputs for the company, as follows:

1. The result shows that Celebrity Endorsement has the most significant influence towards Customer Purchase Intention to Nanospray MCI Product in Manado. Therefore, the researcher suggest to paying attention on this factor. Because Celebrity endorsement has a strong effect on consumer memory and learning approach too. Use of celebrity
endorsement may influence them to buy the product, after watching the advertisement if it is endorsed by their favorite celebrities. The marketers have to intensively increase the promotion activity to consumer. By doing so, it will increase the Customer Purchase intention.

2. Online Customer Review should also be considered intensively in order to improve the effectiveness of Customer Purchase Intentions. Because Customer reviews have advantage in helping consumers to find products. The study suggest to Marketers should give a good perception and motivation for consumers that consumers can understand the products offered. And needs to develop a unique strategic response to customer review information. Therefore, when the information spread in the market the information will support. And then the Online Customer Review increase Customer Purchase Intention.

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