

## RESEARCH ON EFFECT OF INFLUENCER ENDORSEMENT ON PURCHASE INTENTION OF COSMETICS

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### **ABSTRACT**

*Consumer socialization and interactions form the basis of Social Media which has led to the rise of Electronic Word of Mouth.(EWOM ).Social media influencers (SMIs)employ EWOM to promote products. Cosmetic brands face severe competition these days and depend tremendously on SMIs on various social media websites and apps.It hence becomes imperative to research how Purchase Intention of consumers of Cosmetics gets affected by the SMIs. This study also employs other variables like customer knowledge, perceived value and item packaging. Respondents were people active on Social media accounts and had previously purchased cosmetic products online.*

**KEYWORDS:** *Social Media, EWOM, Purchase Intention, SMIs, Customer Knowledge, Perceived Value and Item Packaging*

### **INTRODUCTION**

Social media has inevitably become a very important means of maintaining relationship between consumers and brands[1]. The widespread use of social media, such as Facebook, Instagram, Twitter, and YouTube has become an effective tool for consumers to information on brands and communicate their views of a brand to a broad audience[2].Social media has become bridge between interactions and consumer channel selection and it affects decision making process[5].According to Nielsen's(2013)“Global Survey of Trusting Advertising, “Product review is the second most trusted source of product information among 70% of consumers surveyed online, followed by recommendations from friends and family.”This has led to the growth of Social Media Influencers (SMIs) who provide recommendations for people for all sorts of products. Cosmetics have a strong impact on consumers' everyday lives on building one self-esteem and confidence.[3].Cosmetic Industry survives on recommendations and hence SMIs have become the ideal tool for Promotion. Traditional purchasing is different from purchasing on the internet especially with regard to its social context[4].

### **REVIEW OF LITERATURE**

Purchase intention is one step prior to deciding to make the purchase.Consumers decide to make the purchase when they have completed a certain level of evaluation and assessment with the amount of information they have.[6].Zarrad and Debabi (2012)[7] noted that the consumers' intention to buy certain products is a component of the consumer's cognitive behaviour. Consumers develop knowledge based on various how familiar they are with the product.

Consumers with higher product knowledge have better memory, recognition, analysis and logic abilities than those with lower product knowledge. Knowledge leads to increase in perceived value. Perceived value consists of both qualitative and quantitative factors that are objective and subjective, and jointly contribute to a consumer's buying experience.[8]. Item packaging potentially affects consumer purchase decisions and it is classified into two main broad elements ie visual and informational. Visual is more on the affective side of decision making process and informational is on the cognitive side.[9]

The other factors have been much researched upon but the advent of Social Media Influencers(SMIs) is a relatively new phenomenon. Social media has been defined "online media oriented toward social interaction, networking and information exchange"[10]—and it facilitates customers to post the experiences on social networking sites such as Twitter and Facebook, provide ratings and product reviews.Brands also use social media to communicate directly with their customers and share user generated content to promote products. Previously celebrity endorsement was used in raising brand awareness among consumers, however currently social media influencers drive product engagement and brand loyalty leading to purchase decision. Media Kix marketing also claimed that 80% of online marketers claimed that SMIs influencers are potential endorsers who can raise their online businesses to higher levels (Forbes 2017).Also SMI s are perceived as more sincere in delivering and demonstrating the endorsed product to their followers (Tapinfluece 2017).

## METHODOLOGY

A sample of 250 female respondents was chosen who previously had experience in online shopping and had active social media accounts. Demographic factors of the respondents (age, occupation, education etc) were investigated as part as understanding differences, if any, in the cosmetic purchase intentions of the people

Questionnaires were circulated and regression was applied to the data collected and results were tabulated.

All the four variables – Customer knowledge, SMI, Item Packaging and Perceived Value.– obtained a Cronbach's  $\alpha$  value of 0.8533, 0.9301, and 0.9577, indicating the questionnaire has a good reliability. Content validity was also verified and indicates appropriate usage of the content of the scale. The Pearson product- moment correlation also examined the construct validity

## MODEL

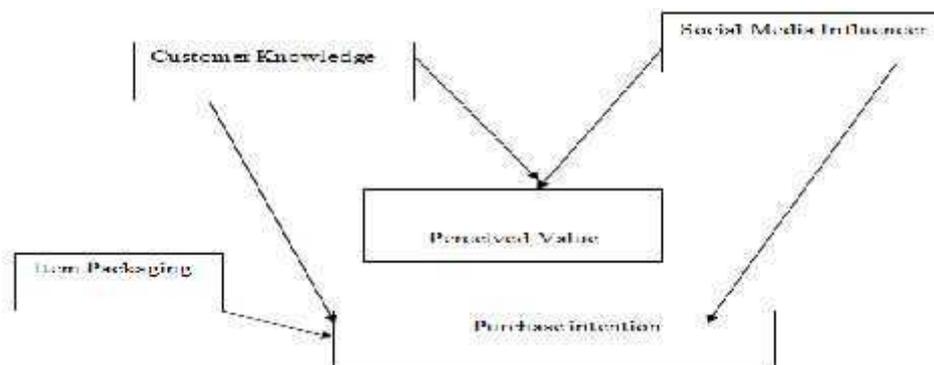


Figure 1

**HYPOTHESIS**

H1: SMI has significant relation with purchase intention

H2: Customer knowledge about the product has significant relation with purchase intention. H3: Item packaging has significant relation with purchase intention.

H4: Perceived value has the direct relation with the purchase intention and has significant relation.

**ANALYSIS AND RESULTS**

The mean and standard deviation obtained in Table A indicate that the respondents have a positive intention towards the variables. The Skewness and Kurtosis values are low and hence indicate the distribution happens to be a normal one.

**Table A: Descriptive Statistics**

	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Age	1.7	.231	-.719	.162	-1.384	.234
Occupation	1.0	.212	6.953	.143	64.785	.234
Qualification	2.5	.687	1.132	.143	-.202	.234
CK	2.1733	.8505	.935	.143	.292	.234
SMI	2.6180	.64294	.499	.143	-.114	.234
IP	2.4575	.68605	.209	.143	-.185	.234
PV	2.5167	.68023	.733	.143	.108	.234
PI	2.6365	.62443	.132	.143	-.323	.234

Next we do a correlation study to understand how the dependant variable is related to the independent variable and the values of Table B indicate that except perceived value all the other variables seem to be positively correlated with purchase intention and hence highly significant.

**Table B: Correlations Analysis**

	CK	SMI	IP	PV	PI
CK	1	.325** .001	.391** .000	.479** .000	.344** .000
SMI	.325**	1	.431**	.405**	.233*

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IP	.001		.000	.000	.019
PI	.000	.019	.001	.023	

\*\* . Correlation is significant at p=0.01 level (2-tailed).

\* . Correlation is significant at p= 0.05 level (2-tailed).

The regression analysis indicates the strength of the relationship between purchase intention and the other independent variables. The Beta value especially is a very valid indicator of the variation in the model due to the independent variables. Table C, D,E and F indicate regression coefficients for Customer knowledge,SMI,Item Packaging and Perceived Value.

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig
1	Constant	B	Std Error	Beta		
1	Constant	2.214	.145		11.324	.000
	CK	.319	.070	.349	2.647	.000
Model	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Standard Error of Estimate		
1	.349	.121	.132	.59347		

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig
1	Constant	B	Std Error	Beta		
1	Constant	2.423	.213		5.540	.000
	SMI	.455	.083	.213	1.377	.000
Model	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Standard Error of Estimate		
1	.223	.055	.045	.61180		

The beta values define the variation intensity in purchase intention due to the independent variable. Here in Table C the value of beta is.319 which means the variation is 31.9 percent.

And hence the Customer knowledge has a weight of 31.9 percent and SMI has a significant value.455 so the variation in purchase intention is 45.5 percent. Similarly for Item Packaging and Perceived Value the variation stands at 25.4 percent and 21.7 percent.

**Table E: Regression Coefficients for predicting IP**

Model		Unstandardized Coefficients		Standardized Coefficients Beta	T	Sig.
		B	Std. Error			
1	Constant					
1	Constant	1.933	.221		8.219	.000
	IP	.182	.086	.254	2.172	0.031
Model	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Standard Error of Estimate		
1	.254	.068	.059	.43741		

**Table F: Regression Coefficients for predicting PV**

Model		Unstandardized Coefficients		Standardized Coefficients Beta	T	Sig.
		B	Std. Error			
1	Constant					
1	Constant	2.321	.236		9.725	.000
	PV	.198	.090	.217	2.207	0.023
Model	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Standard Error of Estimate		
1	.217	.059	.062	.57278		

**LIMITATIONS**

The study did not examine the effects of negative recommendations and information. Longitudinal study can be made in future to observe emerging trends. Future research is encouraged to investigate other possible mediators such as attitudes toward products. Other constructs could include user experience with the Internet and with online purchasing, user innovativeness or national differences.

**CONCLUSIONS**

This study indicates the practical importance of SMIs in affecting the purchase intention of the cosmetics especially in the current scenario. Cosmetic Industry has grown significantly over the past few years and competition is severe and hence it becomes very essential for players to stay ahead in the race and collaborating with influencers will definitely give the brand an edge over the competition. The segmentation of social media users could help cosmetics brands to better understand the formation of purchase intention using the demographic results obtained. Gender, age and marital status seem to be good variables to allow some kind of first-level market segmentation. Cosmetic brands invariably need to focus on improving their relationship with influencers to get better hold of their target audience who definitely is affected by the social media posts by influencers.

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