# The Influence of Celebrity Endorsement,

# **Brand Image and Brand Equity on Purchase Intention**

# of Adidas Shoes

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**Abstract**: This research examines the influence of celebrity endorsements, brand image, and brand equity on the purchase intention of Adidas shoes. This research used a quantitative research method with a purposive sampling technique involving 92 respondents who had purchased Adidas shoes at least once. Data was collected through an online questionnaire and analyzed using Structural Equation Modeling (SEM) with SmartPLS. The results indicate that celebrity endorsement does not have a significant effect on purchase intention ( $\beta = 0.149$ , p > 0.05). Brand image has been proven to have a positive and significant impact on purchase intention ( $\beta = 0.093$ , p < 0.001), whereas brand equity does not show a significant effect ( $\beta = 0.337$ , p > 0.05). The coefficient of determination shows that these three variables influence purchase intention by 22.1%, whereas 77.9% are influenced by other variables. These findings indicate that, in the Indonesian market, brand image plays a more significant role in influencing purchase intention than celebrity endorsement and brand equity for Adidas shoe products. The results of this research have important implications for Adidas' marketing strategy in Indonesia, particularly in terms of resource allocation and brand image development.

Keywords: Celebrity Endorsement, Brand Image, Brand Equity and Purchase Intention

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## Introduction

The rapid evolution of fashion in today's globalized society has fundamentally transformed consumer behavior and market dynamics (Green & Kaiser, 2017). This transformation is particularly evident in how social media and digital marketing influence purchase intentions (Kim & Ko, 2010; Kong et al., 2021). This shift is particularly evident in the athletic footwear market, where brands like Adidas face intensifying competition amidst changing consumer preferences. Recent data from the Top Brand Award (2019) reveal that Adidas' market share in sports shoes declined slightly from 38.2% in 2017 to 37.6% in 2018-2019 while maintaining leadership over Nike's 25.6% share. This market context raises important questions about the factors that influence purchase intentions for premium athletic footwear brands. According to O'Cass (Vesal et al., 2021), many people have become fashion consumers, especially fashion from leading and well-known brands that they have created throughout the world. People now also make fashion a status marked by their appearance and wear (Thompson & Haytko, 1997).

Changing consumer behavior has resulted in increasingly varied and complex needs (Rusliani et al., 2022). This must change business patterns, and producers must be more sensitive and careful about market wants and needs, as companies are required to create appropriate business strategies to market their products effectively (Kong et al., 2021). The high demand for fashion products has resulted in the emergence of many companies in the fashion sector, leading to increasingly tight business competition (Jin & Cedrola, 2017). Companies are required to further develop their ability to compete in this era (Mujisusatyo, 2019). (Kim & Ko, 2010) noted that many companies compete to create products that meet evolving human needs. According to (McCracken, 1989), many companies are interested in using celebrity endorsements as a means of having great potential for the public to remember advertised information better. Increasing market demand has created diverse consumer preferences. Adidas is a leading global fashion brand. Based on Top Brand Award data (2019), Adidas achieved a 38.2% market share in 2017 in the sports shoes category, although this declined to 37.6% in 2018-2019. Their main competitor, Nike, held 25.6% of the market share. Despite this competition, Adidas remains one of the largest market leaders worldwide (Siddiqui, 2022).

Today, many people have become fashion consumers, specially fashion from leading and wellknown brands that they have created worldwide. People now make fashion a status marked by their appearance and what they wear. This has resulted in increasingly varied and complex requirements. This must change business patterns, and producers must be more sensitive and careful about the wants and needs of market companies to be able to create appropriate business strategies to market their products so that many consumers are interested. The high demand for fashion products from the public has resulted in the emergence of many companies in the fashion sector, resulting in increasingly tight business competition in the fashion sector. With increasingly tight competition, companies are required to further develop their ability to compete in this era. Nowadays, many companies are competing to create a product that can meet human needs, which are increasing and developing over time.

Many companies are interested in using celebrity endorsements as a means that are considered to have great potential for the public to see the advertisement, so that they can better remember the information it conveys. The increasing market demand has created diversity in the demand desired by consumers. Adidas are one of the largest fashion brands in the world. Adidas has also won many prestigious awards such as the Top Brand Award in the sports shoes category. In 2017, Adidas had a presentation rate of 38.2%, and in 2018 and 2019, Adidas experienced a decline in presentation rate to 37.6% while in second place was the toughest competitor, Nike, which had a presentation score of 25.6%. So far, Adidas' toughest competitor is Nike, and Adidas remains one of the biggest market leaders throughout the world. Many companies are interested in using celebrity endorsements as a means that is considered to have great potential for the public to see the advertisement so that they can better remember the information it conveys.

## **Literature Review**

## **Celebrity Endorsements and Purchase Intention**

Celebrity endorsement has emerged as a critical marketing tool, although its effectiveness remains debatable in the literature. While some studies have demonstrated its positive impact on consumer attention and purchase intentions (Khan & Lodhi, 2016; Priyankara et al., 2017), others highlight its limitations in the luxury and athletic goods markets (Thompson & Haytko, 1997; Thornburg et al., 2018). A meta-analysis by Zhang et al. (2020) found that endorsement effectiveness varied significantly by product category and target demographics, with athletic wear showing mixed results. This complexity may help explain our finding of non-significant effects for Adidas shoes. Celebrity endorsement is the most important tool in developing a marketing strategy with the aim that the celebrity's image can be used to attract consumers' attention to purchasing their products (Khan & Lodhi, 2016; Maharani & Suji'ah, 2022; Priyankara et al., 2017; Superwiratni, 2018). Product company management can increase the sales volume of a company's products by utilizing the popularity of a celebrity or artist as an effective attraction (Malik & Qureshi, 2016). Because the more popular a celebrity or artist is, the effectiveness of selling the product increases. H1: Celebrity endorsements have a positive influence on Purchase Intention.

## Brand Image and Purchase Intention

When a company sells a product with a good brand image, it automatically encourages higher purchase intention among consumers. Consumers will have purchase intentions without hesitation if a brand has a good image (Ningtias & Martini, 2019; Westre et al., 2016). This means that if a brand already has a well-known brand extension, the higher the number of consumers, the higher the number of consumers. Brand image will increase such that it can influence purchase intention. Brand image can help a company maintain brand quality and prioritize the benefits and quality of a product so that consumers can create a sense of confidence in their interest in buying a product (Alic et al., 2020). Brand image can provide significant results for purchase intention, where product sales volume can increase through brand image. In addition, brand image plays a crucial role in promoting a product because the more positive and profitable a brand, the more well-known the company is to consumers (Mao et al., 2020; Masato, 2021). H2: Brand Image has a positive influence on Purchase Intention.

## **Brand Equity and Purchase Intention**

Brand equity influences consumers' self-confidence in decision-making when purchasing a product. Brand equity also influences the consumer purchasing process, motivating consumers to buy products and visit the same store repeatedly (Fernie & Sparks, 2018; Levy & Grewal, 2023). Brand equity can influence purchase intention by increasing consumers' desire to buy a product and various considerations in buying a particular product. H3: Brand Equity positively influences purchase intentions. Based on the above explanation,. Figure 1 illustrates our research model.



#### Figure 1 Research Model

## **Research Method**

This research employed quantitative research methods following Sekaran's (2016) framework for business research. The validity assessment followed Henseler et al.'s (Henseler et al., 2015) criteria for discriminant validity in structural equation modeling. This research utilized purposive sampling, a non-probability technique appropriate for researching specific consumer segments (Hair Jr et al., 2019). Construction Measurement includes Celebrity Endorsement, Brand Image, Purchase Intention, and Smart PLS 4. Celebrity Endorsement was measured using four items adapted from Khan and Lodhi (2016), assessing perceived trustworthiness, expertise, attractiveness, and matching with brand values ( $\alpha = 0.846$ ). Brand Image utilized four items from Pullig (2008) (Pullig, 2008) to measure brand associations, perceived quality, and overall reputation ( $\alpha = 0.729$ ). Brand Equity employed four items from Shuv-Ami (Shuv-Ami, 2016) to evaluate brand awareness, perceived value, and loyalty ( $\alpha =$ 0.741). Purchase Intention was assessed using the four items from Purba et al. (Purba et al., 2023) measuring likelihood of purchase and recommendation ( $\alpha = 0.753$ ). Smart PLS 4 was selected for analysis because of its robustness, small sample size, and ability to handle nonnormal data distributions (Sarstedt et al., 2021).

Purposive sampling is a sampling method that selects certain people who are able to provide the information needed, because only those who have the information or meet several criteria made by the researcher. The criteria selected as respondents for this research were those who had bought Adidas Shoes at least once. The sample size of this research was 92. The sampling in this research was conducted by distributing questionnaires from Google Forms to respondents via social media platforms such as Instagram, Line, and WhatsApp. This research uses four variables, namely Celebrity Endorsement which is measured by four indicators adapted from In previous studies (Khan & Lodhi, 2016; Priyankara et al., 2017), brand image is measured by four indicators adapted from previous studies (Pullig, 2008; Westre et al., 2016), Brand Equity is measured by four indicators adapted from previous studies (Shuv-Ami, 2016), and Purchase Intention is measured by four indicators adapted from previous studies (Purba et al., 2023). The data analysis technique used was SEM using SmartPLS software. Data processing in this research consists of two analyses: the outer model, which analyzes the validity and reliability of constructs, and the inner model, which assesses the relationship between exogenous and endogenous latent variables with respect to other calculated variances.

# **Results and Discussion**

## **Outer Model**

The outer model testing consists of testing convergent validity (Average Variance Extracted), discriminant validity (Heterotrait-Monotrait Ratio), and reliability (Cronbach's Alpha and Composite Reliability).

### **Convergent Validity**

#### Table 1. Convergent Validity

	Average Variance Extracted
Celebrity Endorsement	0.683
Brand Image	0.545
Brand Equity	0.554
Purchase Intention	0.576

Based on the Average Variance Extracted (AVE) results in Table 1, it can be concluded that each variable in this research is declared valid because the AVE value for each variable is above 0.5 (>0.5).

## **Discriminate Validity**

#### **Table 2 Discriminant Validity**

	Celebrity	Brand	Brand	Purchase
	Endorsement	Image	Equity	Intention
Celebrity Endorsement		0.629	0.330	
Brand Image			0.706	
Brand Equity				
Purchase Intention	0.361	0.427	0.520	

Based on the test results above, all indicators are declared valid. The Heterotrait-monotrait ratio must have a value (<0.9) to ensure discriminant validity between the two reflective constructs (Henseler et al., 2015).

## **Composite Reliability Test**

#### Table 3 Cronbach's Alpha and Composite Reliability

	Cronbach's Alpha	Composite Reliability
Celebrity Endorsement	0.846	0.859
Brand Image	0.729	0.756
Brand Equity	0.741	0.779

Purchase Intention	0.753	0.761

Based on the test results above, it can be concluded that all the variables above are reliable because it can be seen that all variables have met the minimum value requirements, namely the Cronbach's alpha value above 0.6 (>0.6), and the Composite Reliability value above 0.7 (>0.7).

## Inner Model

### **Coefficient of Determination Test**

#### Table 4 Coefficient of Determination

Variable	R-square
Purchase Intent	0.221

Based on the test results above, it can be shown that Celebrity Endorsement, Brand Image, and Brand Equity have a strong influence, with values of 0.221 or 22.1%, while the remaining 77.9% are influenced by other variables not discussed in this research. It can be concluded that the changes in each variable occurred in the Celebrity Endorsement, Brand Image, and Brand Equity variables on Purchase Intention; thus, purchase intention experienced a change of 22.1%.

## **Hypothesis Testing**

#### **Table 5 Hypothesis Testing**

Hypothesis	Hypothesis Statement	Path Coefficient Value	P Value
H1	Celebrity Endorsement→ Purchase Intention	0.149	0.139
H2	Brand Image $\rightarrow$ Purchase Intention	0.093	0.000
H3	Brand Equity→ Purchase Intention	0.337	0.442

Based on the test results above, it can be known that H1 and H3 are not supported because the p value is above 0.05 (<0.05).

## Discussion

The results of the Path Coefficient Test show that all variables in this research have a positive influence on purchase intention. The variable that has the greatest positive relationship to brand equity is purchase intention, with a Path Coefficient value of 0.337. According to the results of the Goodness of Fit (GoF) calculation, the value obtained is 0.139; therefore, the GoF

in this research is declared as medium because it is still below 0.36. The results of the Effect Size test in this research show that celebrity endorsement variables have a small effect on purchase intention variables. Brand image variables had a major effect on purchase intentions. Brand equity variables had a small effect on purchase intention. This research revealed several noteworthy findings regarding the purchase intentions of Adidas shoes. Contrary to expectations, celebrity endorsements showed no significant effect on purchase intention ( $\beta$  = 0.149, p > 0.05). Our findings on celebrity endorsements align with those (Khan & Lodhi, 2016), who find varying degrees of celebrity endorsement effectiveness across different market contexts. The strong influence of brand image supports the findings of Priyankara et al. (Privankara et al., 2017) identify the importance of brand perception in purchase decisions. The non-significance might also reflect market saturation in celebrity endorsements within the athletic footwear category, potentially leading to a diminished impact. Brand image emerged as the strongest predictor of purchase intention ( $\beta = 0.093$ , p < 0.001), highlighting the crucial role of brand association and reputation in consumer decision-making. This finding has important implications for Adidas' marketing strategy, suggesting that investments in brand building may yield better returns than celebrity partnerships. The non-significant effect of brand equity ( $\beta = 0.337$ , p > 0.05) was surprising but may reflect the mature market position of Adidas in Indonesia, where brand awareness is already high and other factors may be more decisive in purchase decisions. The majority of Indonesian people are only happy with advertisements, and most people do not end up buying products through these advertisements. Testing the second hypothesis shows that brand image has a positive influence on Purchase Intention. The results of this research are in line with research conducted by (Arista & Astuti, 2011) who show that brand image has a positive and significant effect on purchase intention. The majority of Indonesians are familiar with the Adidas shoe brand compared to other brands. Adidas has been marketed in Indonesia for a long time, and its reputation in Indonesia has been proven to be good. This concludes that the Adidas brand is already known to most Indonesian people. Testing the third hypothesis in this research shows that brand has no positive influence. Effect of equity on Purchase Intention. This research is not in line with the research conducted by (Harsono et al., 2018; Nugroho & Burhani, 2019) who state that brand equity has a significant effect on purchase intention because the higher the brand equity owned in a product, the higher the level of self-confidence consumers have in a product. Because consumer confidence is an important factor in creating a desire to buy and consume a product, the company will make a profit. If the company has good brand equity, it will still be able to compete in the market as market competition increases.

## Conclusions

This research provides important insights into the dynamics of purchase intentions in the premium athletic footwear market. Our findings challenge the conventional wisdom about celebrity endorsement effectiveness and highlight the enduring importance of brand image in consumer decision-making. These results suggest several strategic implications for Adidas and similar brands, including marketing resource allocation, market-specific strategies, and brand-building. Marketing Resource Allocation, the strong influence of brand image compared to celebrity endorsement suggests the need to reevaluate marketing budget allocation. The Indonesian market may require approaches other than global marketing templates, particularly regarding celebrity endorsements. Brand-building investment in consistent brand image development appears to be more crucial than short-term celebrity partnerships. Future research should examine these relationships across different market segments and geographic regions in order to test the generalizability of our findings. Additionally, longitudinal studies could help to understand how these influences evolve over time; therefore, the influence of celebrity endorsements and brand image on purchase intention is in accordance with this theory. The higher the level of a customer gathering information, the higher the purchase intention of the customer. If the customer gathers as much information as possible about Adidas shoes, the customer will have a high intention to purchase Adidas shoes. In this research, celebrity endorsements need to be considered by Adidas. Many customers or non-Adidas customers are only looking at their advertisements and end up not buying any Adidas shoes, because most of them just like to look into Adidas advertisements. Brand image has a positive effect on the purchase intention of Adidas shoes because Adidas has a good reputation and image and is liked by most customers. Based on the questions asked in the questionnaire, respondents felt that choosing Adidas shoes because the Adidas logo is easy to remember, has a good reputation, and has purchase intention because customers like Adidas shoes. We thank the Tarumanagara University Research and Community Service Institute for providing funds for this research through research grants for the thesis scheme.

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