The Influence of Celebrity Endorsers and Electronic Word of Mouth (E-Wom) on Shopee Brand Trust

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ABSTRACT
This research aims to explore the impact of celebrity endorser and electronic word of mouth (e-WOM) on consumer trust levels towards the Shopee brand in Surabaya city. The research method used is quantitative, involving 80 respondents selected through nonprobability sampling technique using purposive sampling method. The respondents consist of active users of Shopee marketplace aged between 15 and 40 years old. Data collection in this research involves both primary and secondary data. The analysis technique used is Partial Least Squares (PLS) with validity, reliability, and hypothesis testing. The results of the research indicate that: (1) the use of celebrity endorser has a positive and significant impact on brand trust, and (2) electronic word of mouth (e-WOM) has a positive and significant impact on brand trust.
INTRODUCTION

Marketing in the business world is crucial to adapt to technological advancements and increasing societal needs. Companies must compete in a tough business environment to achieve maximum profits with minimal costs. Internet usage in Indonesia is growing, becoming a strategic tool for businesses to make sales through online shops and marketplaces.

Technological developments have transformed consumer lifestyles. People are more inclined to shop online via the internet, and entrepreneurs capitalize on technological progress and easy internet access for electronic business transactions. Marketplaces serve as platforms connecting sellers and buyers, facilitating efficient business transactions. Efficient marketplaces in Indonesia drive the national economy, and their organized and dynamic growth can enhance the investment climate, as well as facilitate better product inflow and outflow.

In the era of globalization, consumers have become more discerning in choosing brands. According to Fandy Tjiptono (2015) as cited in (Setyani & Gunadi, 2020), a brand is a symbol encompassing images, names, words, letters, numbers, color schemes, or combinations of these elements, utilized for trading goods or services. In the digital industry, such as marketplaces, an array of brands provides consumers with alternatives to align with their needs. Nevertheless, in the era of globalization, consumers are adept at choosing brands that have gained trust and recognition within society.

According to Carlson et al. (2020), the use of celebrity endorsements is crucial in marketing as it can significantly enhance publicity with substantial efficiency. In the era of globalization, companies tend to leverage the influence of digital media such as "vloggers" and "Instafamous" personalities (also known as "micro-celebrities") to promote their businesses. In addition to conventional celebrities like actors, supermodels, and athletes, social media influencers or "influencers" have gained prominence due to their ability to effectively build brands on digital media platforms, as explained by Rogers (2020) in (Khan & Zaman, 2021).

The widespread use of the internet worldwide has increased the role of electronic word of mouth (e-WOM) in disseminating information, as revealed by (Jalilvand & Samiei, 2012). Forums, sharing sites, blogs, and customer reviews have become vital sources of information that reinforce the role of e-WOM. e-WOM has emerged as one of the most popular sources of information for consumers, as expressed by Adjie et al. (2009) and Zhu & Zhang (2010) in (Haikal et al., 2018). Gruen (2006) (Aditya & Waluyo, 2020) explains that e-WOM comprises positive or negative statements from customers about a product or brand disseminated through the internet. In the era of digitalization, businesses need to adapt and utilize social media as a marketing platform to introduce their brands.

Lau and Lee (1999) in (Adrian junio, 2017) argued that brand trust is the customers' desire to rely on a brand. Business operators engaged in the digital realm, particularly in the field of marketplaces, need to comprehend marketing strategies to establish brand trust among the public. Brand trust signifies a
positive state wherein consumers believe that the chosen brand can address problems and deliver added value.

Shopee has employed the services of a celebrity endorser, namely Raffi Ahmad, to promote their brand. Raffi Ahmad is a multi-talented celebrity who is well-known and holds a good reputation in the eyes of the public. He is one of the Shopee celebrity squad members, serving as a brand ambassador for the marketplace. The use of a celebrity endorser is considered effective in increasing the number of consumers and gaining new consumer trust in a brand. Consumers tend to believe that brands promoted by celebrities are of high quality. The presence of a celebrity endorser assists new consumers in selecting an appropriate brand, as these celebrities have the ability to capture consumer interest in brand choice.

Consumer reviews on the Play Store reveal dissatisfaction with Shopee's service quality, which can influence the trust of other consumers. Issues in the delivery system and the use of the Shopee app also reflect a decline in quality, potentially damaging the brand's reputation and decreasing sales levels in the long run. As a marketplace, Shopee offers various facilities such as cash on delivery (COD), fast delivery, and a refund or return system in case of delivery errors. However, there are currently many reviews indicating a decrease in quality in Shopee's delivery system and app usage. This decline in quality will impact consumer trust in the Shopee brand and could potentially reduce sales levels in the long term.

The decline in Shopee's quality also leads to a decrease in ratings or evaluations given by consumers on the Shopee platform. This directly affects the level of consumer trust in the Shopee brand and can impact the marketplace's sales performance. Brand trust is crucial for consumers in selecting the right brand. Amidst fierce competition in the business world, particularly in the marketplace industry, every marketplace endeavors to persuade consumers to choose their brand by offering various facilities and services that cater to consumer needs. Brand trust also serves as the key for companies to compete with similar rivals.

Based on Haryono and Nurlaela's (2018) data, e-commerce users in Indonesia, especially on marketplace platforms, have experienced significant growth from year to year. In 2017, the number of e-commerce app users reached 139 million and increased by approximately 10.8% to 154.1 million users in the following year. This year, the user count has reached 168.3 million and is projected to continue growing to 212.2 million users by 2023.

This phenomenon has a positive impact on economic activities in Indonesia. The rapid growth of marketplace app users opens up broader and diverse business opportunities for entrepreneurs. This allows businesses, both small and large scale, to reach a larger market and efficiently interact with potential consumers. With the increased usage of e-commerce platforms, it is expected to drive the rise in the country’s per capita income and make a positive contribution to overall economic growth.
Table 1: Top Ten E-Commerce Users in Indonesia for the Period of January - July 2020

<table>
<thead>
<tr>
<th>Ranking</th>
<th>Company</th>
<th>Monthly Visit Accumulation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Tokopedia</td>
<td>96.5 million</td>
</tr>
<tr>
<td>2</td>
<td>Shopee</td>
<td>86.4 million</td>
</tr>
<tr>
<td>3</td>
<td>Bukalapak</td>
<td>32.8 million</td>
</tr>
<tr>
<td>4</td>
<td>Lazada</td>
<td>22.2 million</td>
</tr>
<tr>
<td>5</td>
<td>Blibli</td>
<td>18.3 million</td>
</tr>
<tr>
<td>6</td>
<td>JD.ID</td>
<td>9 million</td>
</tr>
<tr>
<td>7</td>
<td>Orami</td>
<td>3.9 million</td>
</tr>
<tr>
<td>8</td>
<td>Bhinneka</td>
<td>3.5 million</td>
</tr>
<tr>
<td>9</td>
<td>Zalora</td>
<td>2.3 million</td>
</tr>
<tr>
<td>10</td>
<td>Sociolla</td>
<td>2 million</td>
</tr>
</tbody>
</table>

Source: Journal Mapping Analysis of the Largest E-Commerce in Indonesia Based on the Digital Economic Strength Model (Putri & Zakaria, 2020)

Based on Table 1, in the data for July 2020, there are rankings for the top 10 most popular e-commerce platforms. The order includes Shopee, Tokopedia, Bukalapak, Lazada, Blibli, JD.ID, Orami, Bhinneka, Zalora, and Sociolla. The ranking is based on the monthly visits to an e-commerce app. In this data, Shopee holds the second position with a monthly visit count of 86.4 million. However, Shopee is still significantly behind its competitor, Tokopedia, which ranks first with a monthly visit count of 96.5 million.

In the world of marketplaces in Indonesia, business competition in the digital sphere has grown fiercer in tandem with advancements in information technology. Presently, society is increasingly inclined to shop through marketplaces using mobile technology or media. With the multitude of marketplace options, consumers have more alternatives to select the platform they desire. This intense competition propels business entities to innovate their marketing strategies to captivate consumer interest. One commonly employed strategy is the use of celebrities as endorsers and implementing viral marketing. Tokopedia, as a rival to Shopee, also adopts similar strategies with the aim of enhancing public trust in their brand.

THEORETICAL REVIEW

Celebrity Endorser

Schiffman and Kanuk (2007) describe a celebrity endorser as a public figure who represents a company's product or service with popularity among the public. They play the role of product users in advertisements. Movie stars,
athletes, and singers wield significant influence in branding, products, and service marketing. They create appealing images and drive customers to purchase or use the recommended products (Rai et al., 2021).

In this digital era, celebrity endorsers play a pivotal role in product promotion and sales enhancement, leveraging platforms like social media and marketplaces (Rosaria et al., 2020). Indicators of brand trust encompass attractiveness, trustworthiness, and expertise (Royan, 2004). Celebrities' roles as endorsers are crucial in building trust and enhancing brand image in the e-commerce industry (Sanditya, 2019).

**Electronic Word of Mouth**

According to Kotler and Keller (2016), marketers emphasize two specific forms of word of mouth, which are buzz marketing and viral marketing. Buzz marketing generates interest and unveils new information about a brand unexpectedly, while viral marketing or eWOM uses the internet to create a word-of-mouth effect that supports marketing goals. The promotion mix, consisting of advertising, sales promotion, personal selling, public relations, and direct marketing, is the means used by companies to provide information, persuade, and remind consumers about products and brands (Kotler & Armstrong, 2012; Supradi et al., 2021).

The appropriate selection of the promotion mix can impact the success of promotions and their effectiveness in influencing the target consumers. According to (Pentury et al., 2019), Electronic Word of Mouth (e-WOM) has several indicators that can be grouped into two categories: e-WOM Quality and e-WOM Quantity.

**Brand Trust**

According to Lau and Lee (1999) in (Rizky Dermawan, 2022), brand trust can be defined as the customer's willingness to rely on a brand and the belief that the brand will produce positive outcomes. Lau and Lee (1999) in research conducted by Apriliani (2019) explain that trust is the consumer's perception of reliability based on experience, where a positive relationship is formed through a series of events or interactions that meet and satisfy expectations of product performance.

Costable (2006) in the same study also supports this definition, explaining that trust is formed through experience and characterized by a positive perception. In other words, trust is the result of experiences that create a positive perception of product performance. According to Adrian Junio (2017), Ballester (2003) in his research identifies two indicators of brand trust, viability and intentionality.

**The Influence of Celebrity Endorsement on Brand Trust**

(Putra & Ningrum, 2019) state that in efforts to enhance consumer trust in a brand, effective marketing strategies can involve the use of celebrity endorsement (Celebrity Endorser). According to Carroll (2009), celebrity endorsers, who are individuals with public recognition, utilize their popularity
to promote consumer products through advertising. (Salsabila & Albari, 2022) found that the use of celebrity endorsement can effectively influence consumers to trust a brand. They noted that consumers who follow celebrities' social media accounts tend to be influenced by their high level of popularity, which in turn can impact their trust in brands endorsed by those celebrities. Furthermore, research also indicates that consumer trust can grow when the celebrity endorsing a brand demonstrates commitment in using the product (Firmat et al., 2021; Herjanto et al., 2020).

H1: Celebrity Endorsement significantly influences Brand Trust in the Shopee e-commerce platform.

The Influence of Electronic Word of Mouth (e-WOM) on Brand Trust

According to research by (Dewi et al., 2021), the internet lifestyle has created a new paradigm in information exchange through Word of Mouth, known as Electronic Word of Mouth (eWOM). Consumers nowadays utilize online media such as blogs, discussion forums, websites, and social media to share their experiences with brands, products, or services they have used before. Research also indicates that eWOM has a positive impact on consumer trust levels towards brands (Charvia & Erdiansyah, 2020; Septiari, 2018). Therefore, it can be concluded that eWOM plays a significant role in shaping consumer trust in brands (Ihsan et al., 2022).

H2: It is presumed that Electronic Word of Mouth (e-WOM) significantly influences Brand Trust in the Shopee e-commerce platform.

Figure 3 Conceptual Framework

METHODOLOGY

Population and Sample

According to research conducted by Sugiyono (2017) in (Dian & Noersanti, 2020), population is a collection of objects or subjects that possess specific characteristics defined by the researcher and serves as the basis for drawing conclusions. In this study, the population of focus is Shopee marketplace users residing in Surabaya city.
Sugiyono (2017) in (Dian & Noersanti, 2020) explains that in this research, sampling is used as a part of the process to determine the characteristics of the studied population. The method used is nonprobability sampling, where each member of the population does not have an equal chance of being selected as a sample. Additionally, purposive sampling method is employed, considering specific factors in the sample selection. The sampling technique used is based on guidelines by Ghozali (2011), which states that the sample size is the number of indicators multiplied by 5-10 parameters. Thus, the sample size in this study is 8 (Number of Indicators) x 10 = 80 Respondents.

**Data Collection Techniques**

In this study, the researcher utilized a questionnaire as the data collection technique. The questionnaire was provided to each respondent as the main instrument for collecting primary data. A questionnaire is a data collection method that employs written statements and questions to respondents (Sugiyono, 2016). The researcher distributed the questionnaire online through Google Form as one of the delivery methods, although its validity still needs to be considered.

**RESULTS**

The respondent data in this research was obtained through a questionnaire distributed to active users of the Shopee marketplace. A total of 80 questionnaires were distributed, but there were some limitations such as respondents not meeting the sample characteristics and some unanswered responses from 5 respondents. Therefore, the total number of respondents who met the criteria and did not experience limitations was 75 respondents. Based on the respondents' feedback, it can be seen that the majority of respondents are female, indicating that women tend to use the Shopee marketplace more than men. Additionally, information about respondents' characteristics based on age was also gathered, with the majority of respondents being aged 15-24 years, indicating that the usage of the Shopee marketplace is dominated by teenagers.

**PLS Model Analysis**

![Figure 4 Outer Model with Factor Loadings, Path Coefficients, and R-Square](Source: Data analysis, SmartPLS output)
From the PLS output diagram above, it can be observed that the factor loading values for each indicator are above the arrows between variables and indicators. Additionally, the size of path coefficients can be observed from the arrows between exogenous and endogenous variables. The appropriate R-squared value is situated within the circle of the endogenous variable (brand trust), indicating a good fit level. The highest loading coefficient for the website quality indicator is information accessibility (X1.3) with a factor loading of 0.935, while the largest indicator for consumer trust is goodness (X2.2) with a factor loading of 0.950.

**Inner Model**

<table>
<thead>
<tr>
<th>Table 4.9 R-Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>R-Square</td>
</tr>
<tr>
<td>Brand Trust</td>
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</table>

(Source: Processed Questionnaire Data)

Based on the R-squared value (Brand Trust) = 0.612, it can be concluded that this model is able to explain about 61.20% of the phenomenon or issue of Brand Trust. The remaining 38.80% is explained by other variables not included in the model and error. This indicates that the Celebrity Endorser and Electronic Word of Mouth variables have an influence of 61.20% on purchase intention, while other variables not included in the Celebrity Endorser and Electronic Word of Mouth have an influence of 38.80%.

**Hypothesis Testing**

<table>
<thead>
<tr>
<th>Table 4.10 Causality Testing (Inner Weights)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Sample (O)</td>
</tr>
<tr>
<td>Celebrity Endorser (X1)</td>
</tr>
<tr>
<td>Electronic Word of Mouth (e-WOM) (X2)</td>
</tr>
</tbody>
</table>

Source: Processed Data (2023)

From the table above, it can be concluded that the hypotheses state:

H1. There is an assumption that Celebrity Endorse (X1) has a significant positive influence on Brand Trust, with a path coefficient of 0.264 and a t-statistic value of 2.055, which exceeds the critical value of 1.96 (Zα = 0.05). Additionally, the p-value of 0.040 is less than α = 0.05 (5%), indicating statistically significant results (positive).

H2. There is an assumption that Electronic Word of Mouth (X2) has a significant positive influence on Brand Trust, with a path coefficient of 0.658 and a t-statistic value of 6.636, which exceeds the critical value of 1.96 (Zα = 0.05).
Additionally, the p-value of 0.000 is less than $\alpha = 0.05$ (5%), indicating statistically significant results (positive).

**DISCUSSION**

*The Influence of Celebrity Endorser on Brand Trust*

Based on the research findings, it is known that celebrity endorsers have a significant impact on Brand Trust in the Shopee marketplace and are acceptable. It can be concluded that Celebrity Endorsement has a significant influence on consumers when it comes to trusting a brand. It can be stated that active marketplace users in Surabaya City feel a favorable impact where a response is formed towards the Shopee brand.

Based on the research, it was found that celebrity endorsers have a positive and significant influence on Brand Trust in the Shopee marketplace. This indicates that consumers tend to trust brands that involve celebrities in endorsement campaigns. The main factors influencing trust are the celebrity's ability and experience in endorsing effectively. For instance, celebrities like Raffi Ahmad, with high expertise and experience, have a positive impact on the respondents' trust in the Shopee brand.

This finding also supports previous theories stating that celebrity endorsers have a positive and significant impact on brand trust, as seen in the research by (Salsabila & Albari, 2022) and (Golan Hasan, 2022). This reinforces the importance of celebrities in building consumer trust in the brand, especially in the context of marketplaces like Shopee. In a competitive environment with numerous choices, consumers tend to choose and trust brands endorsed by celebrities with a good reputation.

*The Influence of Electronic Word of Mouth (e-WOM) on Brand Trust*

Based on the research findings, it is known that Electronic Word of Mouth (e-WOM) has an impact on Brand Trust in the Shopee marketplace and is acceptable. This can be concluded that the higher the quality of electronic reviews or Electronic Word of Mouth (e-WOM), the more it will influence consumers' confidence in the Shopee brand. This can be seen from the largest Factor Loading result of the variable Quantity, where respondents always seek available review information before choosing a brand, as the reviews provided by other consumers can provide recommendations to trust that brand.

The research results indicate that Electronic Word of Mouth (e-WOM) has a significant positive influence on brand trust in the Shopee marketplace. This means that the quality of electronic reviews or e-WOM plays a crucial role in influencing consumer trust in the Shopee brand. Particularly, the most influential factor is the quantity of available reviews, where consumers tend to seek review information before choosing a brand (Charvia & Erdiansyah, 2020).

These findings are consistent with previous research, which shows that celebrity endorsers and e-WOM have a significant influence on brand trust (Golan Hasan, 2022). Thus, in the context of the Shopee marketplace, both
CONCLUSIONS AND RECOMMENDATIONS

Based on the results of the Partial Least Squares (PLS) analysis conducted on the Shopee Marketplace in Surabaya, it was found that celebrity endorsers and electronic word of mouth (e-WOM) have a significant influence on consumer trust towards the brand. This study concludes that: (1) The use of well-known and experienced celebrity endorsers can enhance consumer trust in the Shopee Marketplace in Surabaya. (2) Positive reviews provided by consumers through e-WOM also play a crucial role in shaping consumer trust in the brand. These positive reviews indirectly recommend the brand to other consumers and foster trust in the brand. Thus, both the influence of celebrity endorsers and e-WOM have a significant impact in shaping consumer trust in the brand within the Shopee Marketplace in Surabaya.

Based on the identified issues and the results of the data analysis presented, the following are some recommendations to be considered as the basis for decision-making: (1) Regarding endorsement, it is advised for the Shopee marketplace to collaborate with celebrities who possess high experience and persuasive abilities, as well as a strong influence on those around them. (2) Concerning electronic word of mouth (e-WOM), active Shopee marketplace users are encouraged to enhance their literacy and adopt a more objective stance in understanding reviews provided by other users within the Shopee marketplace.

FURTHER STUDY

For future researchers, it is suggested to expand the number of respondents, delve deeper into the subject matter, and reference other relevant research journals regarding the impact of celebrity endorsement and electronic word of mouth on brand trust, in order to achieve more comprehensive results.

REFERENCES


