INDONESIAN BEAUTY INFLUENCERS: HOW ADVERTISING DISCLOSURE, SOURCES CREDIBILITY AFFECT ATTITUDES TOWARDS INFLUENCERS

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Abstract

In recent years, the rise of beauty influencers as a marketing channel has given rise to concerns regarding the disclosure of advertisements, particularly in the realm of digital marketing. This study addresses the urgency of this problem by conducting a Partial Least Squares Structural Equation Modeling (PLS-SEM) analysis on a sample of 218 Indonesian individuals who follow Tasya Farasya, a prominent beauty influencer on Instagram. The objective of this research is to examine the relationships between advertising disclosure, source credibility (expertise, attractiveness and authenticness), and consumer attitudes toward influencers. The results of the analysis confirm the significant relationships between advertising disclosure and source

credibility, specifically expertise and attractiveness. Moreover, the study establishes the links between source credibility and consumer attitudes toward influencers. However, advertising disclosure was found to have no direct influence on authenticity. These findings provide valuable insights and recommendations for beauty influencers and beauty brand owners. For beauty influencers, it is crucial to maintain complete transparency in advertising practices while nurturing their own self-credibility. On the other hand, brand owners should consider factors such as brand image, influencer traits, beauty industry trends, and product quality when collaborating with beauty influencers. By recognizing the urgency of transparent advertising disclosure and implementing the suggested recommendations, beauty influencers and brand owners can foster a more trustworthy and effective marketing ecosystem in the beauty industry.
Keywords: Advertising disclosure, source credibility, expertise, attractiveness, authenticness, consumer attitude, influencers

INTRODUCTION

There are various ways to market products or services, influencer marketing is one of them. By selecting an influencer who meets the goals of the brand, which aspires to establish high trust in its followers to influence product purchases (Putri, 2016). However, many marketing are carried out without any indication of cooperation as a kind of credibility or professional knowledge. However, there is a problem with marketing, particularly digital marketing, where promotions are carried out through beauty influencers, which apparently raises public concerns about the disclosure of advertisements that should be placed more visibly and have a clear meaning (Govindarajan & Anthony, 2020). Commercial beauty influencers' social media posts resemble and even merge with non-commercial posts, causing users to mistake them for advertising (Destyana & Premananto, 2021). Most beauty influencers are not personally liable if the cosmetic goods they advocate cause negative effects or injury to consumers (Ayuningtyas, 2021).There are also beauty influencers who do not give their honest opinion about a product or brand because both parties, the brand, and the beauty influencer, have agreed to promote according to the material that has been provided, or in other words, both parties work together to deceive the public (Absharina & Yuriani, 2021).

Previous research has shown that when beauty influencers promote a product by clearly disclosing that the beauty influencer is collaborating with the brand, it increases their characteristics to gain trust from their followers (Immanuel & Alexandria, 2021; Arli, Castner, Talukdar, Northey, & van Esch, 2018). Consumer attitudes toward influencers can be influenced by consumer assessments of them via source credibility, with the more visible an influencer's

characteristic, the more positive the assessment of them (Immanuel & Alexandria, 2021; Arli, Castner, Talukdar, Northey, & van Esch, 2018).

Following the marketing problem focusing on beauty industry in Indonesia, this study intends to investigate the correlations between advertising disclosure and source credibility, as to confirm the effect of source credibility on consumer attitudes toward influencers, as well as the impact on brand attitude and buy intention. Hence, Fig.1 below represents the hypothesis from the research framework:
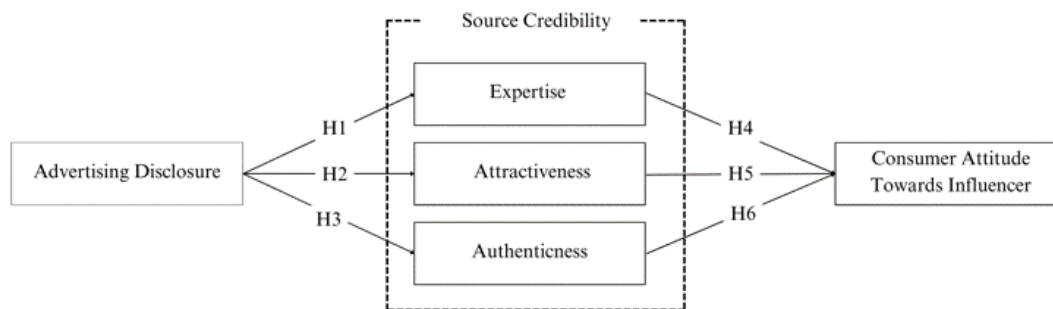
Figure 1. Research Framework

METHODOLOGY

This study aims to look at the effect of advertising disclosure on the source credibility of Indonesian beauty influencers (source expertise, attractiveness, and authenticity), the effect of source credibility on consumer attitude towards influencers and brand attitude. There are 4 items for advertising disclosure adapted from reference (Wang & Lei, 2021). Then 4 items form expertise and 4 items from attractiveness adapted from reference (Weismueller, J., Harrigan, P., Wang, S., & Soutar, G. N., 2020). Authenticity items which amounted to 4 items adapted from reference (Kim, D. Y., & Kim, H. Y., 2019). Furthermore, there is a consumer attitude towards influencers with a total of 5 items adapted from reference (Chetioui, et al, 2020). Data was collected using a 5-point Likert scale questionnaire distributed online to respondents who are followers of Tasya Farasya's Instagram account and have actively followed her upload updates through her Instagram stories or feeds in the last 6 months, and who felt the advertising disclosure made by Tasya Farasya in her uploads. Using the purposive sampling technique and calculating the variable to sample ratio, we collected 218 respondents who met the research criteria.

The data analysis method used in this study is a structural equation model which is usually used in multivariate data research, the type used in this study is based on variance (PLS-SEM) with the aim of exploring and developing existing theories. In addition, this study

uses a measurement model to test the validity and reliability of data as well as a structural model to test the path coefficient and the significance level.

RESULTS

This research used a preliminary study to test the validity and reliability of the questionnaire items. The pre-test was carried out by distributing questionnaires to 30 respondents prior to the full-size distribution. The convergent validity test revealed that one of the indicators (AD3) did not meet the validity requirements (factor loading > 0.7) because the factor loading value on AD3 was 0.642, and one of the consumer attitudes towards influencer (CA1) indicators also did not meet the validity requirements, with a value of 0.697 (Hair, Black, Babin, & A, 2018). Following the elimination of those indicators, a retest was conducted with 19 indicators that passed the validity requirements, factor loadings ranging from 0.760 to 0.930, and an Average Variance Extracted (AVE > 0.5) ranging from 0.629 to 0.756. The reliability requirements were also met, with composite reliability and Cronbach's alpha values over 0.7, with ranges of 0.729 to 0.900 and 0.713 to 0.893, respectively. Following the pretest, data for the actual study was collected via distributing questionnaires online via Google Forms.

Table 1. Respondent's Profile

Dimensions	Item	Frequency	Percentage (%)
Gender	Female	202	92,70%
	Male	16	7,30%
Age	<18 years old	4	1,80%
	18 - 22 years old	81	37,20%
	23 - 27 years old	85	39%
	28 - 32 years old	37	17%
	> 32 years old	11	5%
Domicile	Jakarta	9	4,10%
	Bogor	49	22,50%
	Depok	39	17,90%
	Tangerang	77	35,30%
	Bekasi	44	20,20%
Profession	Student	93	42,70%
	Employee	72	33%
	Entrepreneur	13	6%
	Housewife	24	11%
	Others	16	7,30%

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Average spending on beauty products purchases per transaction	< Rp 50.000	7	3,20%	
	Rp 50.000 - Rp 150.000	58	26,60%	
	Rp 150.000 - Rp 250.000	67	30,70%	
	Rp 250.000 - Rp 350.000	33	15,10%	
	> Rp 350.000	53	24,30%	
Average expenses per month	< Rp 1.000.000	53	24,30%	
	Rp 1.000.000 - Rp 2.000.000	67	30,70%	
	Rp 2.000.000 - Rp 3.000.000	32	14,70%	
	Rp 3.000.000 - Rp 4.000.000	26	11,90%	
	> Rp 4.000.000	40	18,30%	

According to the data obtained, most respondents (92.7%) are women between the ages of 23 and 27 (39%). Most responders (35.3%) live in Tangerang and are students (42.7%). Most respondents (30.7%) spend Rp 150.000,00 to Rp 250.000,00 in one transaction for beauty items and have an average monthly expenditure of Rp 1.000.000,00 to Rp 2.000.000,00 (30.7%).

There are three types of assessments: measurement models, structural models, and descriptive statistics. The factor loading values ranged from 0.788 to 0.944, which exceeded the validity parameter of 0.7. The composite reliability values range from 0.826 to 0.925, and the Cronbach's alpha values range from 0.769 to 0.924 [30]. The values of the Average Variance Extracted (AVE) range from 0.693 to 0.814, and the values of the square root of AVE as discriminant validity are greater than the values of the associated variables.

Table 2. Convergent Validity and Reliability

Construct	Item	Convergent Validity		Composite Reliability	Cronbach's Alpha
		Loadings	AVE		
Advertising Disclosure (AD)	AD1	0,847	0,804	0,897	0,769
	AD2	0,944			
Expertise (EX)	EX1	0,812	0,693	0,852	0,852
	EX2	0,874			
	EX3	0,847			
	EX4	0,793			
Attractiveness (AT)	AT1	0,894	0,814	0,925	0,924
	AT2	0,927			
	AT3	0,9			
	AT4	0,886			

Authenticness (AU)	AU1	0,83	0,745	0,891	0,886
	AU2	0,886			
	AU3	0,856			
	AU4	0,879			
Consumer Attitude towards Influencer (CA)	CA2	0,837	0,655	0,826	0,824
	CA3	0,823			
	CA4	0,788			
	CA5	0,788			

Table 3. Mean and Discriminatn Validity

Construct	Mean	AD	AT	AU	CA	EX
AD	4,232	0,897				
AT	4,494	0,38	0,902			
AU	4,622	0,119	0,465	0,863		
CA	4,1	0,237	0,6	0,729	0,809	
EX	4,318	0,35	0,616	0,636	0,668	0,832

The survey indicated typical mean values of 4,232; 4,494; 4,622; 4,100; and 4,318 for advertising transparency, expertise, attractiveness, and customer sentiment toward influencer. The R-squares for AT, AU, and EX are 0.144, 0.014, and 0.123, showing that advertising disclosure can explain 14.4%, 1.4%, and 12.3% of attractiveness, authenticity, and expertise, respectively. The r-square for CA is 0.639, showing that knowledge, attractiveness, and authenticity explain 63.9% of consumer attitudes toward influencers.

Table 4 represents the results of the significance test for the tests. For H1, 2, 4, 5 and 6, these hypotheses are supported because they have positive path cofactors, t-statistics values greater than 1.96, and p-values less than 0.05. Meanwhile, H3 is rejected due to a t-statistics value less than 1.96 and a p-value greater than 0.05.

Table 4. Hypotheses Results

Path	Original Sample (β)	T-statistics	P-values	Sig.
H1: AD -> EX	0,35	3,375	0,001	Significant
H2: AD -> AT	0,38	3,398	0,001	Significant
H3: AD -> AU	0,119	1,248	0,212	Not significant
H4: EX -> CA	0,209	3,551	0,002	Significant
H5: AT -> CA	0,247	4,485	0	Significant
H6: AU -> CA	0,482	8,898	0	Significant

CONCLUSIONS AND DISCUSSION

Conclusions

The results obtained show that there are 5 hypotheses that have a positive effect and 1 hypothesis that has no effect. The eight hypotheses are hypothesis 1 with the influence of advertising disclosure on expertise on source credibility influence, hypothesis 2 with the influence of advertising disclosure on attractiveness on source credibility influence, hypothesis 4 with the influence of expertise characteristics on source credibility influencers on consumer attitude towards influencers, and hypothesis 5 with the influence of attractiveness characteristics on source credibility influencers on consumer attitude towards influencers. In this study, there is also a rejected hypothesis, the hypothesis 3 with the effect of advertising disclosure on authenticity at the source credibility of influencers.

In the context of advertising, source credibility has the largest influence on attractiveness qualities, while authenticity has no effect. This is because, based on the findings of study data on the effect of advertising disclosure on attractiveness, the resultant T-statistic value is greater than 1.96, namely 3.398, and the resulting p-value is less than 0.05, namely 0.001. The resulting T-statistic value is less than 1.96, which is 1.248, and the resulting p-value is greater than 0.05, which is 0.212. Authenticity is one of the three source credibility traits that has the highest influence on consumer attitudes toward influencers, with a T-statistic value greater than 1.96, which is 8.898, and a p-value less than 0.05, which is 0.000.

Managerial Implications

This study findings offer advice to beauty influencers and beauty brand owners. Beauty influencers must maintain complete advertising transparency and self-credibility. The utilization of many influencers and the selection of relevant social media sites can help improve campaign success. Brand owners should consider brand image, influencer traits, beauty industry trends, and product quality. Monitoring follower replies and involving several influencers in a campaign can assist enhance results.

Limitations and further studies

By considering the findings and conclusions of the research, the researchers recognize that there are various things that may be considered or ideas for future research. First, this study includes limitations in the literature that examines the relationship between advertisement transparency and influencer source credibility. As a result, the advice for future research is to broaden the literature review by employing a more thorough model and a larger sample size.

Second, while this study only included three elements of source credibility influencer features, there are still more factors that can influence customer opinions.

As a result, future research might investigate the effectiveness of different types of promotional content from influencers, the amount of customer trust in the product information provided by influencers, and the influence of brands on consumer buy intentions. Third, the study's selection of beauty influencers may be regarded a drawback because it only represents a subset of the market. As a result, future research might use a variety of beauty influencers and other beauty product businesses to obtain more representative results. Fourth, this study only focuses on beauty items and companies promoted by Tasya Farasya, with a limited sample size and age range. Future study can therefore increase the sample size and include a more diverse range of respondents. Fifth, the study's sample size is small, and there is a gender imbalance. As a result, for future study, it is possible to increase the number and diversity of respondents by paying attention to gender balance using various approaches, such as direct interviews.

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