EFFECT OF CELEBRITY ENDORSEMENT ON CUSTOMERS’ BUYING BEHAVIOR; A PERSPECTIVE FROM PAKISTAN

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Abstract:
Celebrities are the personalities that are well known in public either because of their credibility or of their attractiveness or because of both of these. To leverage this, advertisers use celebrities in their advertisement to increase the effectiveness and heighten the believability of commercials. Prior to this research, many researches have proven facts that celebrity endorsement does cast its impact. This research actually moves on the same line and affirms the impact of celebrity endorsement on customers’ buying intention. We presented the respondents with printed advertisements comprising celebrities and analyzed their response. Overall, phenomenon of celebrity endorsement was found to be influencing. The results maintain that customers are motivated to purchase by celebrities that appear in advertisements but also look for celebrity-product association.

Keywords: Celebrity Endorsement, Buying Behavior, Celebrity Endorsement in Pakistan.

1. Introduction:
Every Advertisement aims to create awareness and arouse interest in the minds of customers. To do so advertisers employ several of marketing techniques. Celebrity Endorsement is one of these power tools by which advertisers try to leverage the image and identification of the celebrity to promote a product or company (Atkin & Block, 1983). This not only makes the advertisement lively, attractive, interesting, but attention getting as well (Ohanian 1991, Kamins 1990). So happens because audience takes the celebrity as a role model and in turn these celebrities impact their lives. Celebrity endorsement has been in application from a long time (Kaikati 1987), in fact not too late when advertisement techniques were taking on new forms because advertisers realized soon that by using publicly renowned personalities in advertisements they will be able to align brands personalities with that of the celebrity’s.

It’s noteworthy that not all the celebrities prove to be successful endorsers, thus making the selection process more difficult (Giffin 1967). That is why advertisers go for a careful selection of celebrities because if any micro aspect may go wrong in celebrity endorsement selection process, whole of the celebrity endorsed advertisement campaign may collapse. This will ultimately show brand the way back to pavilion (Kaikati 1987, Till and Shimp 1995).

Advertisers try to hire such celebrities for endorsement who are not only attractive (Baker and Churchill Jr 1977) but credible as well (Sternthal, Dholakia et al. 1978). Together these aspects cast a comprehensive impact upon the customers, as most of the customers prefer those celebrities who are credible and trustworthy, some like those who are attractive and posses charming physical features, and some look for and consider both of these dimensions. Additionally advertisers also look for a proper (or at least some) match between the celebrity’s personality and...
product’s attributes. This match-up also proves to be successful because the congruence of features from the celebrity and the product targets the senses of the customer more positively and leads to the development of favorable perceptions about the brand (Michael 1989, Ohanin 1991).

1.1 Research Question:
Considering the background of prior research studies, the research question designed is: How celebrity endorsement positively influences the buying behavior of customers?

1.2 Significance of Study:
So far a little research work has been done in Pakistan in case of celebrity endorsement and its impact. This research aims to not only record the effect of celebrity endorsement on the buying behavior of customers, but also to highlight that what underlying factors of celebrity endorsement make it the effective one. This research implies that future research should investigate the respective research domain thoroughly to gain an in-depth insight that proves contributory to managerial implications and to other researchers as well.

1.3 Research Objectives:
Main questions this research aims to answer are:
1. Does Celebrity Endorsement positively affect the buying intention of customers?
2. Which dimensions of celebrity endorsement account greater of casting major impact on buying intention of customers?

1.4 Hypotheses:
Following were the hypotheses formulated:
H1: Celebrity endorsed advertisement positively influences buying intention of customers.
H1a: Celebrity Product matchup motivates me to purchase.
H2: Non endorsed advertisements do not persuade me to make purchase.

2. Literature Review:
Marketing tends to take on new and unique ways of advertising as advertisers are exploring different ways to make the advertisements effective and influential as well. Celebrity endorsement is one of these. The advertisers know it very well that the positive image that the celebrities cast on the audience is can make the message in the advertisement more persuasive (CHOI and Rifon 2007). According to (Schlecht 2003) term ‘celebrity’ can be defined as,

“Celebrities are people who enjoy public recognition by a large share of certain Group of people.”

And the term ‘Celebrity endorsement’ as defined by McCracken:

“Any individual who enjoys public recognition and who uses this recognition on behalf of a consumer good by appearing with it in an advertisement.” (McCracken 1989)

Advertisers go for celebrity endorsement because of its greater benefits and immense possible influence. There are certain potential advantages of celebrity endorsement, celebrities endorsed advertisements draw more attention as compared to those of non-celebrity ones, helps the company in re-positioning its product/brand and finally empowers the company when it’s new in the market or plans to go global. However celebrity endorsement doesn’t hold sole key to success. It also presents the company with potential hazards. These might include, overshadowing, overexposure, and controversy (Erdogan 1999).

A number of models have been presented on celebrity endorsement explaining its mode of application. Some of the renowned models include The Source Models (The Source Attractiveness Model, The Source Credibility Model), The Product Match-up Hypothesis and The Meaning Transfer Model and The Elaboration Likelihood Model.
2.1 Source Attractiveness Model:

It’s quite evident that customers form positive and favorable perceptions about those endorsers who are physically attractive (Erdogan 1999). Research findings show that attractive endorsers are good at influencing the beliefs of customers (Debevec and Kernan 1984). That is why most of the advertisements depict attractive celebrities (Baker and Churchill Jr 1977). This presents the advertisers with the twofold benefits of celebrity presence and physical plea (Erdogan 1999). Attractiveness doesn’t solely mean physical attractiveness; instead it encompasses lifestyle of the endorser, its personality dimensions. According to McGuire (1968), three factors contribute to the effectiveness of a message. These are familiarity of an endorser, similarity of an endorser and liking of an endorser. Similarity can be defined as the extent to which the receiver (customer) finds resemblance between itself and the source (endorser). Familiarity refers to how much knowledge the receiver (customer) possess about the source (endorser). And likability is the affection the receiver (customer) develops towards source (endorser) because of the physical attractiveness of the endorser (McGuire 1968).

2.2 Source Credibility Model:

The Source Credibility Model holds that effectiveness of a message is based on the perceived level of expertise and trustworthiness the customers have in an endorser (Sternthal, Dholakia et al. 1978). Expertise can be defined as the extent to which the endorser (communicator) is perceived to be knowledgeable, skillful and experienced. Statements it makes turn out to be valid (Hovland and Weiss 1951). The benefit of using an expert endorser is that it enhances brand recall and positively affects the buying intentions of consumers (Erdogan 1999). Trustworthiness can be defined as the extent to which the endorser is perceived to be believable, honest and dependable. Greater the proportion of these aspects, higher will be the likelihood of the endorser to be selected by the advertisers (Shimp 2007).

2.3 The Product Matchup Hypothesis:

The Product Match-Up Hypothesis states that there should be a perfect match between the celebrity personality characteristics and brand attributes. The extent of successful match-up can be determined by the degree of fitness between the brand and the celebrity (Erdogan 1999). An advertisement in which the celebrity and the brand are highly congruent yields to be more influential and believable (Michael 1989). Today companies are exerting great emphasis upon the importance of proper match-up between the celebrity and the product. Whether it’s a beverage company or any other, companies always look eager for a fitting link between celebrity’s personality and product attributes. This also happens on the part of customers as they also expect congruity between celebrity and the product (Ohanian 1991). The product celebrity match-up doesn’t solely rely on just ordinary congruency but on the physical attractiveness of the celebrity as well. Attractive celebrities are more persuasive specially when endorsing the products that enhance the prettiness, because customers assume that as the product enhanced the beauty of the endorser, so does it will in real (Kamins 1990). Another study revealed that only those celebrities should endorse who are congruent and perceived by the customers to have expertise as well (Ohanian 1991).

2.4 The Meaning Transfer Model:

The Meaning Transfer Model holds that whenever a celebrity endorses product, customers associate certain meanings with the endorser and eventually transfer it to the brand. In simple words we may state that endorsers bring their very own meanings to the brand (McCracken 1989). According to McCracken (1989) this meaning assigning process moves along a path comprising three successive stages. The Meaning Transfer Model revolves around meanings and their transfer. Every celebrity bears a unique set of meanings, including its personality, attitudes, lifestyle and even demographic components too (gender, age). First stage is the time when customers associate meanings with the celebrity and shape its image. Second, the meanings associated with the celebrity also get associated with the brand and third, customers finally acquire the brand meaning during the consumption process.
2.5 The Elaboration Likelihood Model:

According to The Elaboration Likelihood Model, two key ingredients, motivation and ability serve as the basis of elaboration likelihood. Motivation to perceive the message comprises being involved and relevancy whereas ability is based on knowhow of the individual and analytical capability to perceive and process the persuasive message. The Elaboration Likelihood Model suggests two paths i.e. Central Route and Peripheral Route that lead to attitude change. According to the Central Route, the customer actively pays attention to the advisement and the customer level of involvement is high. Now this persuasion of advertisement may lead to either favorable response or unfavorable response by the customer which ultimately results into development of lasting positive and negative attitudes. According to the Peripheral Route, the receiver isn’t actively involved and thus lacks motivation. It just perceives and evaluates the advertisement on secondary cues. Eventually the attitudes the receiver forms (favorable or unfavorable) about the message are temporary.

3. Research Methodology:

Considering the facts proven from the literature review, a questionnaire was designed. The questionnaire was scaled on a reverse 5 categories scale ‘Likert Scale’ ranging from “1= Strongly Agree” to “5= Strongly Disagree”. The questionnaire was basically composed of four main sections. Foremost was the General Section that aim to gather personal information of the respondent. After this, accordingly there were three main sections. Section-I was composed of 10 questions that were related to “Celebrity Endorsement”, Section-II contained 6 “Non-Celebrity Endorsement” questions, and finally Section-III comprised 4 questions indented to “Measure the effect of Celebrity Endorsement”. As categories in the questionnaire were well defined so key factors were easily identified. Now, for the sake of computing new variables; a simple procedure of ‘Computation of New Variables’ was adopted using SPSS 17. 5 new variables were computed out of which 4 were independent variables and only 1 was a dependant variable. The key variables computed were:

- OCE: Overall Celebrity Endorsement
- NCE: Non-celebrity Endorsement
- BI: Buying Intention

Variable “OCE” was computed from all the questions from Section-I. Variable “NCE” was computed from all the questions from Section-II and Variable “BI”; the dependant variable was computed from all the questions of Section-III. In addition to this, three sub-variables of OCE were also computed. These are stated as under,

- CA: Attitude towards Celebrity.
- CM: Celebrity Motivation.
- CPA: Celebrity Personality Association.

“CA” was computed from questions 5 and 6 of Section-I. “CM” was computed from questions 7, 8, 9, 10 and “CPA” was computed from questions 11, 12, 13, 14 of the same section.

Questionnaires were distributed across various educational institutions in Pakistan and in offices as well. The questionnaires distributed in hard form were self-administered. Celebrity endorsed print advertisement were attached to the questionnaire gather more concentrated response from the respondents. The population was all from Pakistan and it consisted of both males and females of different age groups and of different occupations as well. Reason for selecting such diverse population was to see that whether these demographics cast their impact upon the overall process of taking meaning from celebrity endorsement or not. A sample size of 200 was selected across whole of the Pakistan out of which 176 responses were received with response rate of 88%. The number and percent of respondents along with different characteristics are mentioned in the Table 1.
Table 1: Demographics Analysis of Respondents.

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gender:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>124</td>
<td>70.5%</td>
</tr>
<tr>
<td>Female</td>
<td>52</td>
<td>29.5%</td>
</tr>
<tr>
<td>Total</td>
<td>176</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Age Group:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15-20</td>
<td>06</td>
<td>3.4%</td>
</tr>
<tr>
<td>21-25</td>
<td>143</td>
<td>81.2%</td>
</tr>
<tr>
<td>26-30</td>
<td>27</td>
<td>15.3%</td>
</tr>
<tr>
<td>Total</td>
<td>176</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Occupation:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student</td>
<td>129</td>
<td>73.3%</td>
</tr>
<tr>
<td>Young Professional</td>
<td>42</td>
<td>23.9%</td>
</tr>
<tr>
<td>Entrepreneur</td>
<td>03</td>
<td>1.7%</td>
</tr>
<tr>
<td>Other</td>
<td>02</td>
<td>1.1%</td>
</tr>
<tr>
<td>Total</td>
<td>176</td>
<td>100%</td>
</tr>
</tbody>
</table>

4. Analysis/Interpretation:
To check the validity of the data collected from the respondents, Reliability Analysis was conducted, the results did show that the data is 74.6% reliable (Cronbach’s Alpha). Regression analysis and Correlation analysis techniques were conducted.

Foremost the Hypothesis H1 was tested. Linear Regression was done in which variables taken independent were Celebrity Endorsement and Non-Celebrity Endorsement and the dependant variable taken was Buying Intention. The results clearly depicted that Overall Celebrity Endorsement accounts for the impact on the dependant variable i.e Buying Intention of the Customer. And Non-Celebrity Endorsement is negatively associated with the Buying Intention. This negative association tells us that whenever customers give secondary importance to the celebrities, they may focus on other factors related to the product that can be the quality of the product, affiliation with the brand or simply recommendation from the peer.

Model | T   | Sig. |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Constant)</td>
<td>4.537</td>
<td>.000</td>
</tr>
<tr>
<td>OCE</td>
<td>10.365</td>
<td>.000</td>
</tr>
<tr>
<td>NCE</td>
<td>-2.228</td>
<td>.027</td>
</tr>
</tbody>
</table>

a. Dependent Variable: BI

The model was found to be significant and can be used to predict buying intention.
To further see the effect of celebrity endorsement, three key sub variables of the main variable “CE”, regression analysis was conducted to see the impact of three sub variables of CE, i.e CPA, CA, CM on the independent variable BI. Again, ANOVA table manipulated the model as significant. The results reported that celebrity personality association, motivation by celebrity endorsement are strongly significant with the buying intention of the customer as compared to that of the Attitude towards celebrity endorsement which is weakly significant and constitutes no weight to cast impact on the buying intention of the customers. This is presented in form of table as under,

<table>
<thead>
<tr>
<th>Model</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Constant)</td>
<td>4.095</td>
<td>.000</td>
</tr>
<tr>
<td>CA</td>
<td>.609</td>
<td>.544</td>
</tr>
<tr>
<td>CM</td>
<td>6.888</td>
<td>.000</td>
</tr>
<tr>
<td>CPA</td>
<td>3.275</td>
<td>.001</td>
</tr>
</tbody>
</table>

a. Dependent Variable: BI

Lastly correlation was done on the sub variables of “Celebrity Endorsement”, i.e CA, CPA, CM. The benefit of using correlation is that it not only measures the strengths of relationship but also the direction between the variables. Results reported that relationship among all the three independent variables is positive.

<table>
<thead>
<tr>
<th></th>
<th>CA</th>
<th>CM</th>
<th>CPA</th>
</tr>
</thead>
<tbody>
<tr>
<td>CA</td>
<td>1</td>
<td>.366**</td>
<td>.201**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.007</td>
</tr>
<tr>
<td>N</td>
<td>176</td>
<td>176</td>
<td>176</td>
</tr>
<tr>
<td>CM</td>
<td>.366**</td>
<td>1</td>
<td>.588**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>176</td>
<td>176</td>
<td>176</td>
</tr>
<tr>
<td>CPA</td>
<td>.201**</td>
<td>.588**</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.007</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>176</td>
<td>176</td>
<td>176</td>
</tr>
</tbody>
</table>

**. Correlation is significant at the 0.01 level (2-tailed).

From the table above we can see that the relationship among all the three independent variables is positive. Relationship between CM and CA is positive but is weak; however relationship between CPA and CM is moderate positive. So increase in one variable also causes increase in another variable. This means as customers become more motivated to purchase because of celebrity endorsement, their attitude towards celebrity endorsement also become more positive.

Secondly, table shows that CPA and CM are strongly significant. So we can surely quote that there is a statistically significant correlations between Attitude towards the Celebrity and Celebrity Motivation. That means, as customers
become more motivated by celebrity endorsement as they see more congruency between the attributes of the product/brand and personality dimensions of the celebrity.

5. Conclusion:

Advertisements are always designed to attract greater attention of the audience. For this marketers come up with different techniques. Celebrity Endorsement is one of these. And as reported by previous studies, this study also affirms the importance of celebrity endorsement in advertisement campaigns that it positively influences the buying intention of the customers. Most of the times customers are attracted by the attractiveness of the celebrities, and influenced by the credibility of the endorsers. Additionally, if the personality of the product is congruent with that of the product, customers infer and assume such congruency more positively.

6.1 Findings:

Results revealed from the data affirmed ‘H1’, meaning that celebrities significantly impact the buying intention of the customers, Celebrity Endorsed advertisements are more influential then the Non-Celebrity one. Secondly customers give more preference to the Product-Celebrity Matchup as compared to the Physical Attractiveness of the Endorsers which verifies ‘H1a’. and lastly and more interestingly Non-Celebrity Endorsement was found to have negative relationship with the Buying intentions which affirms H2.

6.2 Limitations:

Following are the limitations of the study that future researches should aim to address:

- Questionnaires were distributed in limited number of cities in Pakistan.
- Sample size was fairly normal, which could be increased to gather a more comprehensive view of respondents.
- In most of the data collection cases, respondents were having little information about celebrity endorsement.

Future research should be directed to investigate that how companies select celebrities and this study can also be conducted on qualitative basis as well. Research should be done on finding that whether celebrities from the entertainment media house prove to effective ones or the ones from the sports industry are considered more influential by the consumers. Also this research indicates that celebrity endorsement is moderated by a number of factors like attractiveness, credibility, product match-up and many more. Further more investigation should be done to see that among these, which factors assume prime importance and cast magnified effect on the customers.
References


