

# Communication Through Advertisement Exploiting Celebrity Impact on the Customers' Purchase Intentions : A Survey Research in Karachi Pakistan

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## **Abstract**

The growing business competitions in the world have allowed the researchers to adopt different strategies to go ahead of their competitors. In the last two decades, especially, it has been seen to exploit the celebrities as their brand ambassadors to put a positive impact on the customers. The research has been conducted to witness the advertisement communication and its impact on the customers' purchase intentions with the celebrity endorsement. The survey is conducted on the students of a business university who frequently buy and sell new mobile phones. The instrument was adopted and approved by the experts of the field in Pakistan. The sample of 300 students filled the questionnaires and data is analysed through Regression analysis. The instrument reliability is tested through Chronbach Alpha test and Factor Analysis. The results indicate that the celebrity endorsement has put a positive impact on the customers' purchase intention. The customers are inclined to purchase those models of mobile phones which are endorsed by their favourite celebrities. It is, on the basis of results, recommended to involve famous and attractive celebrities to introduce new models of mobile phones on the market to grab the purchase intentions of the customers.

**Keywords:** Customers Purchase intention (CPI), Celebrity Endorsement (CE)

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## **Introduction**

Consumers are exposed to thousands of products on a daily basis via magazines, newspapers, e-advertisements, telecommunication advertisements, billboards, websites, TV, radio, etc. None of the consumer wants to take his time out for these ads as it is a complete time wasting activity. In this modern era, it is impossible to get an audience/consumer's spared so every brand is trying hard to get at least a fraction of a minute to attract new consumers and retain the previous ones. Due to this reality, celebrity endorsement is getting significant nowadays. The companies are trying to make consumers loyal to the brand and they make their efforts to give rise to such feelings that matches with the desires and wants of the consumer. This new trend shifts the personality traits to the brand and as we think of the brand, there comes the traits, attributes, character, credibility and loyalty of the personality associated with it thus makes the brand to be owned by

the consumers. It helps the target gender to feel as the brand has been designed only to cater their requirements.

Psychologists who study personality descriptions have reduced the general traits, attributes to 'the big five' basic dimensions which is broadly used by the strategic marketing planners to select and endorse the personalities with their brand. Extraversion/Introversion is the first one includes traits like adventurous-cautious, sociable-reclusive, etc. The Second is agreeableness which includes good natured-irritable, gentle-headstrong etc. Conscientiousness includes responsible-undependable, tidy-carelessness, etc. Emotional Stability includes traits like composed-excitabile, calm-anxious etc. and the final is culture which includes sensitive-insensitive, intellectual-unreflective, refined-crude etc.

Consumer Buying Behavior can be defined as a process and action of people involved in buying and using products. It is the attitude, perception, decision and intention of consumer towards a product or a service. Consumers make decisions, even if they are buying a candy. The consumer buying process starts with the need recognition that leads to the search process, then the evaluation of alternative selection among the alternatives and final purchase decision. There are four types of Purchasing Behavior:

Celebrity endorsement is a type of branding or advertising in which an actor or actress becomes a brand ambassador. It is a global phenomenon. Celebrities nowadays have become a role model for the general public and people goes for their opinions, perceptions and endorsements for making their own purchase behavior. Sometimes, celebrities also provide voice-overs for advertising. Some celebrities have distinct voices which are recognizable even when faces are not visible on a screen. This is a more subtle way to add celebrity branding to a product or service. The glamorous and shiny world of stars is contributing a part in making businesses fruitful and earning more equity. There are several advantages of celebrity endorsement as they are already popular. They can attract and build product awareness among consumers. Every product has its own image. And every organization or firm should be cautious while hiring a celebrity to retain the image of the product. In this regard, the traditional endorsement deal still remains popular.

Now a days this is a greater frequency of celebrity ads on Pakistani television commercials observed, because the fame and the popularity of the celebrity and status or symbol of celebrity, attractiveness or glamour of the endorsers. In the modern age, it has become a challenge for the advertiser to grab more consumers. The effective marketing campaigns,

advertising strategies of the competitors, the influence of the celebrity, relevance of celebrity with the brand can bring a drastic change and can build a new competition among the competitors as well.

### Literature Review

Lalitha Balakrishnan and C. Shalini Kumar (2011) identify the influence of celebrity endorsements on the purchase attitude of the consumers in Chennai. The study focused to identify the factors that affect and motivate the purchase decision, analyzing those factors and evaluate the level of influence created by advertisement using the celebrity for durable products and to investigate the consumer responses. Quantitative method was used in the research. The study was conducted in Chennai and the sample size was 600 consumers in which 500 consumers respond to the questionnaire. The findings were the factors that affect and motivate the consumer purchase decision are; price, need, quality, celebrity's testimonial, product appearance, peer group and lifestyle. Need satisfaction of the product and the celebrity endorsement motivates the consumer to buy the long-lasting products. The consumers persuade towards the product more when it is endorsed by the celebrity and when the target is quality & price. The consumers recall the product when it a celebrity endorses it.

Ms. Jyoti Kasana (2014) researched on the perception of Indian consumers about celebrity endorsements, examining how the celebrity attributes influence consumer purchase decisions. Few approaches of determining the Celebrity endorsements are Q-Score method and FRED Principle. Q-Score is the method to measure the like-ability, Credibility, popularity, believability and of a celebrity while FRED stands for F-Familiarity, R-Relevance, E-Esteem and D-Differentiation. The findings were that consumers find celebrity endorsement more attractive and influential. Test attributes show the positive relationship with purchase decision.

Bhavesh kumar J. Parmar (2014) researched to evaluate consumer's perception related to the use of celebrity and non-celebrity endorsement in advertisement, influence of demographic factors on consumer's perception of celebrity and non-celebrity endorsement and to study the influence of psychological factors on consumer's perception for celebrity & non celebrity endorsement in advertisements on FMCG products. The study was conducted at North Gujrat (India). The study was based on the primary and secondary data. Primary data were collected through a questionnaire and the secondary data was collected from related journals and publications. The questionnaires were distributed to a sample size of 300 consumers. The questions were on the base of advertisement, selected those products where celebrity and non-celebrity advertisement detected. It was suggested by the findings that there is a significant difference between celebrity endorsement

with relate to non-celebrity endorsement for personal products, Household, beverages, food products and care products in a television commercial.

Celebrity endorsement is a very effective way of persuading people either its food products or personal care products. When a consumer buys a product and during the whole buying process the celebrity endorsement plays its role as the celebrity endorser influence and initiate the buying process (Malik & Gupta 2015).

Another important factor is the brand value, goodwill or reputation of the brand endorser him/herself, as (Pornpitakpan, 2008) explored the impact celebrity endorser's credibility has on the overall brand building and buying process of the consumer, and it was concluded that the buying process is not positively affected if the required credibility of the endorser is not available.

The class difference between the consumer is also an essential factor when it comes to endorsement, the thing patterns and lifestyles vary from class to class and that's why the celebrity endorsing the product should be according to the product being endorsed. And in the classes the further difference is about gender as male and female frames of reference also vary (Premeaux, 2009).

Dzisah and Ocloo (2013) in their research paper entitled as "Celebrity Endorsement and Consumer buying behavior; enhancing the promotion function of marketing in the central business area of Accra, Ghana" make an effort to find out the usage of celebrity as a medium of marketing or promotional campaign and its influence as a well as impact on the behavior pertaining to the buying of the brands by the consumers. The method adopted for this particular research has been both qualitative and quantitative in nature.. The technique of sampling used has been both snow ball and simple random which are both established techniques as far as conducting a research is concerned. The basic findings were that the general public or the consumers select or purchase a product/service or a brand based on their analysis of the celebrity being advertised in the promotional campaigns, price of the goods or service along with the packaging adopted and quality maintained. Moreover the research also discovered that organizations select a celebrity on the basis that the celebrity must have the required characteristics which must match the brand which he or she is about to endorse and secondly he or she must be attractive too for the consumers. The paper recommends that the companies must do proper research before selecting a particular celebrity, they must see to the fact that whether the selected celebrity is suitable for the brand or not and most importantly the celebrity must have a positive image among the masses. The research tells us that celebrity

endorsement plays an active role as far as promotion of a brand is concerned, however, companies or organizations should do proper homework before hiring a celebrity.

Similarly Jain (2011) wrote a research on the topic "Celebrity Endorsement and its impact on sale. The purpose of the paper was to find the response of the audience on this technique of endorsement of celebrities and also to find the effect of this strategy i.e celebrity endorsement on the purchase of the goods or service being branded by the companies. Quantitative analysis or approach has been used in this research and a questionnaire based on the commonly used Likert scale has been applied to find the answers. The result of the research shows us that there is no disagreement with the theory that the that celebrity have a considerable influence on the brand being promoted, however the influence is not overwhelming and based on the circumstances celebrities should not always be used for branding purposes. Jain (2011) recommends that celebrities can be used in the branding and promotion of a product/service but considerable analysis should be conducted before applying this tactic as every strategy can have negative and positive outcomes.

Zipporah and Mberia (2014) published research entitled "The Effects Of Celebrity Endorsement In Advertisements" was about the relationship that exists between advertisements and brand endorsements. The research tried to find the link between the former and the latter and tried to highlight the factors that play an important part in influencing the masses via celebrity depiction. The third dimension of the research was on the impact of social media on an organization's strategy of celebrity endorsement. The data in the research were collected via both the established approaches of quantitative and qualitative analysis and different sorts of tables have been used to present the research findings. The research finds out that celebrities which are now part and parcel of different brand advertisements play an important role in attracting the audience towards a particular brand as the consumers see the contrast between a celebrity and brand. The research concludes that celebrity endorsement brings extra value in a brand, particularly if the brand has the characteristics which are compatible with the celebrity being selected for the endorsement of the brand in hand. Zipporah and Maria (2014) suggest that organizations or companies must select the right mediums of marketing for the products or brands they want to launch in the society and the market. Secondly, proper research of the market segments should be conducted before selecting a star, person or athlete as a celebrity.

Another research which was reviewed was "The Economic Value of Celebrity Endorsements" (Elberse and Verleun 2012). The research actually touched the economic influences of celebrity endorsements. By conducting this research the author tried to find what kind of relationship exists between celebrity endorsement and sales. The author used

quantitative analysis to find the answers to his questions. The research revealed that the price of the brand, competitor's advertising and pricing are important factors and celebrity endorsement is a good strategy to boost up the sales especially if one use athlete as a celebrity endorser. The research also reveals to us that celebrity endorsement may result in high stock returns as well. The author of the paper recommends that high care should be taken while signing a celebrity and firms should make sure that the entity they are signing up as celebrity should be popular in the society.

The research paper named as "Impact of Celebrity Endorsements on Brand Image" Mukherjee (2009) aims to discover the linkage as well as relationship that exist between different brands and celebrity endorsers. The paper also discusses how clients or consumers prefer types of brands available in the market along with how much role celebrity endorsement plays in the purchasing actions of the consumers. The author has used statistical tools related to higher order with quantitative analysis in this research. The research reveals that celebrity endorsement can be successful if a celebrity endorser has high acceptability, while multiple celebrities can cause a complete disaster due to the clutter; moreover professionalism of the endorser is also very important. The author recommends that more research can be done on the topic as the author had some limitations while conducting this extensive research. Celebrity endorsement has many parameters and these parameters must be kept in mind, if effectively used celebrity endorsement can bear fruits.

Gu (2005) in his paper "Celebrity Endorsement Advertising And Product Adoption Through Social Media" has actually found social networking effects in terms of information diffusion and correlation of demand on celebrity endorsement. High level statistical analysis has been used and the quantitative data have been used. The research communicates that social media and celebrity endorsement have both negative and positive relationship; positively social media may cause high product interest in public if celebrity endorsed is good enough. Negatively it may reduce the buyers of rational nature. The author concludes and recommends that future research must consider other factors as well such as cascade for more detailed calculations.

**Oyeniya (2014) researched on the relationship between** brand positioning, brand equity, purchasing decisions and celebrity endorsement. The objective was to find out the effect of celebrity trust, support, expertise, relatedness and multiple contracts on whether the consumer follow the celebrity or purchase the product endorsed by the celebrity. Quantitative method was used

in this research, 216 undergraduate students had chosen for this study from which 142 students respondent and the data were analyzed in Structural equation. The findings were that the level of expertise, trust and the fit between the celebrity and the product has positive impact on product performance while attractiveness of the celebrity and the similarities between the celebrity and the consumer has little effect on product performance.

Bimal (2009) explored the significance of celebrity endorsement on consumer behavior and on sales and the rationale behind celebrity endorsement by using five point likertscale with the sample size 60. The study is centered on primary and secondary data. For secondary data, the source has been taken from annual reports of the brands. The study further elucidates that the consumer finds celebrity endorsed product more valuable, reliable and trustworthy and it also increases the sales and brand parity of the product.

Lalitha Balakrishnan, C. Shalini Kumar (2011) studied the Effect of Celebrity Based Advertisements on the Purchase Attitude of Consumers towards Durable Products. Advertisements play a vital role in decision making, and celebrity endorsed advertisements create a long lasting effect on consumers, it is also the reason of the new product to be noticed. Researched has proved that celebrity endorsed products create a positive image on consumers' minds. It has been observed that celebrity endorsed advertisements' rating has been increased than common spokesperson in the advertisement. It has also been observed than female models' endorsement create more positive impact on both genders and on high priced products celebrity endorsements have no impact.

A.J. Bush, Martin and V.D. Bush (2004) studied the impact of sports celebrity endorsements on teenagers classified as generation X (born between 1977 & 1994). The total of 218 teenagers (N= 218) participated in the study which includes 54% males (n=118) and 46% females (n=100). Regression analysis was used to test the impact of the independent variable (sports celebrity influence) on each of the three purchase intentions and behavior dimensions (dependent variable). Findings showed that's sports celebrities have a positive influence on adults' favorable word-of-mouth and brand loyalty. It was found that sports celebrities are important to teenagers when they decide about brand choices. Overall findings shows that as compared to males, females agreed more that athlete role model do influence them in making their brand choices.

Christina Schlecht (2003) explored the relation between product and celebrity endorsements. She tremendously explain that how should marketers advertise their product through different celebrities in different circumstances. She also explains the consumer behavior of different segments of market.

### Hypothesis

*H1: The celebrity endorsers' attractiveness has no impact on the purchase intention of consumers on buying Mobile Phones.*

*H2: The celebrity endorsers' trustworthiness has no impact on the purchase intention of consumers on buying Mobile Phones.*

*H3: The celebrity endorsers' Gender has no impact on the purchase intention of consumers on buying Mobile Phones.*

### Methodology

At the completion of the Literature Review, the model to estimate the effect of celebrity endorsement on consumers' purchasing intentions is defined as follows:

$$CPI = \alpha + \beta_1(Att) + \beta_2(Twn) + \beta_3(Gen) + \varepsilon$$

Where  $\alpha$  is constant,  $\varepsilon$  is error term,  $CPI$  is customer purchasing intention,  $Att$  is Attractiveness,  $Twn$  is Trustworthiness, and  $Gen$  is Gender. In this study, the correlational research design was adopted to conduct

exploratory research.

The regression model was used to test the hypothesis to analyze the customer's purchase intention. The data was collected by the help of a survey questionnaire of 42 items of 300 purchasers located in different areas in Karachi, Pakistan.

### Reliability analysis

The Chronbach Alpha test is used to determine the reliability of the instrument. This measure is taken to check the consistency of the items used in the instrument. It is used to check the mean of each item which is used in the instrument while gathering data by the help of likert scale. 42 questions are adapted to test the hypothesis, out of which 37 questions are used to test the impact of celebrity endorsement on purchase intention. In the reliability test, the value of Cronbach's alpha should be greater than 0.5, according to the parameter (Leech *et al.*, 2005, p. 67). The results of reliability test are presented in Table 1. The results show that the value Chronbach alpha is significant and in the very good range. The overall reliability is 0.9516 while the reliability of all the variables is more than 0.90.

**Table 1**

Variables	Items	Cronbach's Alpha
Attractiveness	6	0.951
Trustworthiness	6	0.950
Gender (Male)	4	0.937
Gender (Female)	4	0.933
Purchase Intention	17	0.987
Overall	37	0.9516

### Kaiser–Meyer–Olkin and Bartlett's Tests of Sampling Adequacy

The results of KMO and Bartlett's tests are reported in Table 2. The results of the KMO test show that the value is greater than 0.79 which is demonstrating that the items

within each factor are adequate and have sufficient items for making groups. The results of the Bartlett's test indicate that the probability or significance value is 0.000, which is less than 0.05. This result indicates that the variables are adequately correlated, which generally accommodates an acceptable basis for factor analysis.

**Table 2**

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.790
Bartlett's Test of Sphericity	Approx. Chi-Square	1462.139
	Df	666
	Sig.	.000

**Factor Analysis**

The 37 questions which relate the impact of celebrity endorsement on the purchase intention of the customers has been categorized into five overlapping groupings of items. The items are generally distributed from the one with the highest factor weight or loading for that factor to the one having the lowest loading on that first factor,

within each factor. The range of the loadings lies between 1.0 through 0 to 1.0 because the loadings resulting from an orthogonal rotation are basically the correlation coefficients of every item with the factor. In case of a negative loading, the question is required to be interpreted in an opposed direction from the actual way it is written for that factor. Results of factor analysis are reported in Table 3.

**Table 3**

<b>Rotated Component Matrix<sup>a</sup></b>					
	Component				
	1	2	3	4	5
Q1	.942				
Q2	.864				
Q3	.843				
Q4	.825				
Q5	.951				
Q6	.895				
Q7		.871			
Q8		.859			
Q9		.891			
Q10		.906			
Q11		.948			
Q12		.835			
Q13			.888		
Q14			.922		
Q15			.874		
Q16			.906		
Q17				.897	
Q18				.918	
Q19				.913	
Q20				.918	
Q26					.910
Q27					.872
Q28					.976
Q29					.904
Q30					.921
Q31					.962
Q32					.910
Q33					.945
Q34					.835
Q35					.939
Q36					.921
Q37					.883
Q38					.895
Q39					.835
Q40					.976
Q41					.885
Q42					.892

Extraction Method: Principal Component Analysis.  
Rotation Method: Varimax with Kaiser Normalization.  
a. Rotation converged in 5 iterations.

The items which have high loadings from each factor should be examined to check whether they conceptually fit together and can be named.

**Regression Analysis**

Table 4 shows the Model Summary of regression analysis. Results indicate the value of R square which is .995 and adjusted R square which also has the value of .995. The ANOVA reflects with the significant value of .000. This shows that customer Purchasing Intentions highly depends on Trustworthiness, Attractiveness and

Gender of Celebrity. The coefficient of attractiveness is .54 which indicates that attractiveness of the celebrity endorses highly the purchase intentions of the customer with the significant value of .000. The coefficient of Trustworthiness is .74 with significance of 0.08. The results show the significant effect of trustworthiness is less than 0.10 and the result suggests that Trustworthiness of celebrity also has a significant effect on Consumer Purchase Intention. This coefficient gender female is 0.31 with significant value of .000. The coefficient of gender male is .51 with significant value of .000.

**Table 4**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.997 <sup>a</sup>	.995	.995	.02262

a. Predictors: (Constant), GMA, GFA, AttA, TWA

**Table 5**

Coefficients <sup>a</sup>				
Variable	Coefficients	t- statistics	Sig.	VIF
(Constant)	-.049	-1.576	.117	
AttA	.54	7.120	.000	2.985
TWA	.14	1.418	.08	4.712
GFA	.31	4.149	.000	2.147
GMA	.51	61.479	.000	3.345

a. Dependent Variable: PI

**Conclusion and Policy Implications**

The supreme objective of this research is to decide the impact of celebrity endorsement on customers purchase intention. The objective was to decide the factors which help celebrity endorsement on customers purchase intention. The data was collected using likert scale from Karachi, Pakistan by the help of 37 items adapted from the thesis of AU-Yeung Pui Y, Priscilla BA (Hons) Scheme in Fashion and Textiles Institute of Textiles & Clothing, The Hong Kong Polytechnic University 2012.

The instrument was tested and verified by the help cronbach Alpha reliability test which showed significant reliability of the instrument. Moreover, KMO and Bartlette test was performed in Factor analysis which also endorsed the reliability of the test. The Rotated Component Matrix shows the correlation among the

factors, and grouping reflects the required reliability is significant. Finally, the regression analysis is made to find out the impact of celebrity endorsement on purchase intention. Initially, the results showed the illness of significance due to multicollinearity, which was later on addressed by increasing the data and final results reflect that all the factors in celebrity endorsement positively affect the purchase intention of the customers.

It is recommended through the help of this model that celebrity endorsement increases the purchase intentions of the customers. The launching of any brand can increase a lot of the brand is endorsed by the trustworthy attractive celebrity. It is also suggested that while launching any brand it is to considered that the celebrity should be famous and attractive and should be from those professions which attract the customers in Pakistan. The celebrity from Pakistan should be filmstars, sportsmen or attractive models. The Gender also

should be considered according to the brand which will help the customer to rely on the celebrity. The result also reflect that Male Gender has more positive impact on customers purchase intention than a female celebrity, however, it should be decided on the nature of product. The advertisement without celebrity will create less impact which shows that to achieve better and positive advantages in advertisement inclusion of celebrity should be considered as integral.

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