Impacts of Celebrity Endorsements on Consumer Purchase Intention

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Abstract:

For the 21st Century marketing managers the globalization has resulted in a fierce battle of the brands at the local and global levels. It has opened new brand investment avenues for the local and global brand advertising managers that are having both the promotional challenges and opportunities. The technological advancements and the rapidly growing mass media and communication systems are constantly providing the marketing managers with the massive opportunities to convey their voice to the targeted groups of customers in a most effective manner. The local and global businesses are rapidly expanding in Khyber Pakhtunkhwa especially in its provincial Capital Peshawar. Effective promotion of the brands is the utmost desire of every brand manager as it is the communicational aspect of marketing. For the same reasons the brand managers are always in search of devising the most effective advertising techniques through which they can easily and most effectively communicate with their target audiences. Celebrity endorsement technique is amongst one of them. The current study aims to explore the effectiveness of celebrity endorsement as an advertising technique and investigates its relationship with the purchase intention of the buyers. Celebrities are the personal and social favorites having deeper influences over the life styles and consumption patterns of the social members. The current study has been conducted to examine the relationship between the superstar endorsements and the consumer purchase intention. The study has been conducted by taking 790 respondents from the urban and sub urban areas of Khyber Pakhtunkhwa province of Pakistan. The impacts of various determinants of celebrity endorsement models were checked through simple linear regression analysis with the consumer purchasing intention. As a result, positive relationship was found between the celebrity endorsements and the buying intention of the buyers. The study has described useful academic as well as managerial implications for both the local and global brand advertisers.

Key Words: Battle of the Brands, Celebrity Endorsements, and Consumer Purchase Intention.
Background of the Study: Celebrities are the individuals having a wide favorable social recognition and are well reputed amongst the social members (Erdogan, 1999). These personalities are famous amongst general public due to their personal achievements or accomplishments in the respective professions or fields. The role of celebrities being the brand endorsers is really impressive and remarkable in creating positive consumer purchase intention towards the advertised brand (Amit Kumar, 2010). Pakistani celebrities whether related to showbiz or to sports are also very important to be discussed over here. In the same regard we can take example of famous cricketer Shahid Khan Afridi, Wasim Akram, Actress and super model Mehwish Hayat, Shan, Ali Zafar, Fawad Khan and Mahira Khan etc. These famous personalities are effectively endorsing various leading global and local brands in Pakistan (Hassan et. al, 2015). Celebrities are amongst the most loved personalities. The role of these local and global celebrities in impacting the consumer purchase and re-purchase intention is very remarkable in the overall promotional process (McCormick, 2016). Modern advertising function is to primarily inform customers about a particular brand. Secondly to persuade them psychologically so that they may start using it or they may keep using it. Third function of promotion is to give them regular advertising and brand promotional reminders on regular basis in order to strengthen the overall brand equity (McCormick, 2016). Through celebrity endorsements the brand managers are trying their level best to create and maintain strong brand personality in the minds and eyes of the target audiences (Kang & Choi, 2016). The promotional technique in which the brand advertisers promote brands through famous personalities refers to as celebrity endorsement (Bafna, Gandhi, & Jain, 2016, & Priyankara et. al, 2017). The general psyche of marketers behind this phenomenon is that the promotional messages conveyed to the target audiences by these super stars not only provide higher level of brand recognition but it also strengthens the overall brand equity (Han & Yazdanifard, 2015). Celebrity endorsement provides solid base for brand consideration and perhaps creates more audience interest in the endorsed brands as compared to the promotional messages conveyed by non-superstars. Celebrities better shape the purchase intention of the buyers (Kumar, 2010).

Problem Statement: Presence of celebrities in advertising has remarkable impacts on consumers mind sets (Assael, 1984), (Kamins & Gupta, 1994), (Usman et. al, 2010), (Sertoglu et. al, 2014) & (Priyankara et. al, 2017). Moreover on the other hand some previous studies have found the celebrity endorsement to be the least effective advertising technique in relation to the consumer purchase intention (Cooper, 1984), (Mehta, 1994), (Tom et. al, 1992) & (Katyal, 2007) etc. The brief but comprehensive findings of these studies revealed that for effective advertising function the brand endorser necessarily doesn’t need to be a celebrity (Tripp et. al, 1994), & (Solomon, et. al, 2002). After discovering both the brighter and the darker side of the celebrity endorsement the author intends to study the relationship between the celebrity endorsement and the consumer purchase intention. So, the problem statement specifically developed for this study states: to conduct an empirical investigation about the impact of celebrity endorsements and its relationship with consumer’s purchase intentions.
Objectives of the study:

1. To explore the consumer perceptions of about celebrity and non-celebrity based endorsements.
2. To examine the various elements of celebrity endorsement model which may impact purchaser’s buying intention if superstars are used as brand endorsers
3. To investigate the impact of celebrity endorsement on consumer purchase intention

Scope of the Study:

The current study keeps a scope that is confined to the consumer’s perceptions about celebrity endorsement in relation to their intent to purchase. These consumers are from Peshawar city, i.e. the provincial Capital of Khyber Pakhtunkhwa and its surrounding sub urban areas, i.e. Nowshehra, Mardan, Kohat, Abbott Abad and Dera Ismail Khan

Justification/Significance of the study: The findings of the current study can be really helpful to various local and global brands currently operating in Peshawar. The study can also provide a meaningful base to the potentially interested entrepreneurs who want to launch their brands in the capital province or in its surrounding sub urban markets. Besides this, current study has proposed implications for academia and marketing practitioners as well.

Literature Review:

Celebrity Endorsement Model:

1. Model of Physical Attractiveness: Physical beauty is a source of attraction and motivation. Here one must understand that the physical elegance does not only include the physical beauty of an endorser but it also includes his high level of skills, his or her strong character in the minds of the customers as well as the talents and achievements of the endorsers (Erdogan, 1999).

Sub Determinants of Physical Attractiveness Model:

A. Similarity: It refers to the perceived level of commonalities between the celebrity endorser and the target audience exposed to the promotional communications (McGuire, 1985) & (McCormick 2016). It’s a common fact that normally people have an attractive tendency towards others who are “like them” and a repulsive one towards dissimilar people (Erdogan, 1999, & Mazlan et. al, 2016).

B. Likeability: likeability refers to the perceived level of affection that the target audience holds for a particular celebrity. This likeability for the endorser is being developed as a result of his or her physical elegance and behavior (McGuire, 1985), (Belch & Belch, 2001), & (Amit Kumar, 2010)
C. **Familiarity**: It refers to the intended information amongst the general public that the endorsing celebrities possess through social publicity (Erdogan, 1999) & (Amit Kumar, 2010). The marketers must know the level to which the general public or the target audiences possess familiarity with the endorsing celebrity (Zajonc, 1968), & (Poghosyan, 2015).

**Dependent Variable:**

A. **Consumer Purchase Intentions**: Consumer purchase intention refers to a cognitive procedure that a consumer has to pass through while purchasing a product or hiring a service for present or for a future time period (McGuire, 1985). Several factors are responsible behind the shaping and reshaping of consumer purchase intention. It primarily includes the social factors, the psychological factors as well as the situational factors.

**The Conceptual Framework:**

**Hypotheses**: H1: Celebrity endorsement has a positive relationship with the consumer purchase intention.
H2a: Similarity among the celebrity endorser and customers positively impacts the purchase intention of the buyers.

H2b: Celebrity likeability positively influences the acquisition goal of the purchaser.

H2c: Celebrity familiarity positively affects the consumer’s purchase intention

**Research Methodology**

**Population of the study:** Population taken by the author for this research contains consumers residing in the provincial capital of Khyber Pakhtunkhwa and its surrounding sub urban areas including Mardan, Nowshehra, Kohat, Abbott Abad, Dera Ismail Khan etc. The idea behind selecting the urban and surrounding sub urban areas of the province was because of the comparatively higher literacy rate of its respondents as compared to the literacy rate of the rural consumers. The consumers living in these areas are also better exposed to various informational or advertising media like print and electronic media, so they have a greater knowledge about various celebrities and their respective areas of operations. Consumers living in these areas, in comparison to the rural consumers have a better access and understanding of social media as well which is also becoming an important and emerging source of advertising these days. Amongst the selected members of population, the respondents were of 16 to 45 years of age.

**Research Approach:** This research study is based on a deductive approach. According to Lee and Lings, 2008 deductive approach enables the researcher to draw valid conclusions on the basis of statistical analysis. It also helps in enhancing the capacity of the researcher to generalize the facts and figures and to answer the research questions in a more unbiased manner.

**Type and Nature of Research:** In comparison to the qualitative type of research, the quantitative researches are better structured. Techniques used under this method are the surveys that can either be an online one or a paper survey. Longitudinal studies, online interviews, or face to face interviews techniques are also used under this type of research study (Wyse, 2011). In the light of the above mentioned arguments, the nature of the current study demands the author to adapt a quantitative type of research study.

**Research Strategy:** Survey technique has been used for this study. The questionnaire selected for this study has been designed by Amit Kumar, 2010. In order to further validate the same, the pilot testing was then performed for the current study. Results of the pilot test are given below:

<table>
<thead>
<tr>
<th>Table 1 Results of Pilot Test</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variables</td>
</tr>
<tr>
<td>Independent Celebrity Endorsements</td>
</tr>
</tbody>
</table>

148
Variable
Determinants of Independent Variable

<table>
<thead>
<tr>
<th></th>
<th>3</th>
<th>0.721</th>
</tr>
</thead>
<tbody>
<tr>
<td>Similarity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Likeability</td>
<td>3</td>
<td>0.812</td>
</tr>
<tr>
<td>Familiarity</td>
<td>3</td>
<td>0.821</td>
</tr>
</tbody>
</table>

Dependent Variable
Purchase Intention 3 0.801

Source: Current Study

Sample Size and Sampling Technique: The author took a sample size comprising of 790 male and female respondents. This sample size has been scientifically selected under the sample size determination technique prescribed by (Ronald E. Walpole, 1982). Simple Random Sampling technique has been used for this study.

Statistical Techniques Used for the Analysis of the Data: The author has used frequency descriptive analysis, Pearson Correlation Analysis, and Regression Analysis for the scientific analysis and meaningful interpretation of the data.

Results and Discussions

Correspondence Degree between the Selected Variables:

Table 1.2 The Correlational Matrix:

<table>
<thead>
<tr>
<th></th>
<th>PI</th>
<th>SM</th>
<th>FM</th>
<th>LK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase intention</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Similarity</td>
<td>.463**</td>
<td>1.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Familiarity</td>
<td>.489**</td>
<td>.574**</td>
<td>1.000</td>
<td></td>
</tr>
<tr>
<td>Likeability</td>
<td>.389**</td>
<td>.536**</td>
<td>.629**</td>
<td>1.000</td>
</tr>
</tbody>
</table>

Number of Respondents =790
Note: PI denotes Purchase Intention
** denotes the correlation significance at 0.01 level (1 tailed)
* denotes that the correlation significance at 0.05 level (1 tailed).
The above mentioned table shows that all the determinants of celebrity endorsement models positively interact with the dependent variable i.e. the consumer purchasing intention. It therefore proves positive one tailed correspondence between the selected variables. The table indicates that some of the determinants have strong relationship with the purchase intention while some hold the moderately good relationship with the same. The rest have low but still positive relationship with the consumer purchase intention.

Table 1.3 Descriptive Statistics of Various Attributes

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>St. deviation</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase intention</td>
<td>2.1749</td>
<td>.98210</td>
<td>790</td>
</tr>
<tr>
<td>Similarity</td>
<td>2.5421</td>
<td>1.22138</td>
<td>790</td>
</tr>
<tr>
<td>Familiarity</td>
<td>2.5936</td>
<td>1.44328</td>
<td>790</td>
</tr>
<tr>
<td>Likeability</td>
<td>2.3979</td>
<td>1.18392</td>
<td>790</td>
</tr>
</tbody>
</table>

Hypothesis Testing:
1. Relationship between Celebrity Endorsement and Consumer Purchase Intention:
H1: Celebrity endorsement has a positive relationship with the consumer’s purchase intention.

Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Std. Error of the Estimate</th>
<th>R Square Change</th>
<th>F Change</th>
<th>df1</th>
<th>df2</th>
<th>Sig. F Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>.630a</td>
<td>.396</td>
<td>.396</td>
<td>.64288</td>
<td>.396</td>
<td>517.323</td>
<td>1</td>
<td>788</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Celebrity Endorsement

ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>213.804</td>
<td>1</td>
<td>213.804</td>
<td>517.323</td>
<td>.000a</td>
</tr>
<tr>
<td>Residual</td>
<td>325.672</td>
<td>788</td>
<td>.413</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Results of regression analysis verify a positive relationship between the celebrity endorsement and consumer buying intention. It describes that there is a significant relationship between both the variables. Results show the value of \( R = .396 \) and the adjusted \( R^2 = .396 \). It shows a variance of 39.6%

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized coefficients</th>
<th>Standardized coefficients</th>
<th>T</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(constant)</td>
<td>-.023</td>
<td>.088</td>
<td>-.255</td>
<td>.799</td>
</tr>
<tr>
<td>CE</td>
<td>1.078</td>
<td>-.047</td>
<td>.630</td>
<td>22.745</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Purchase Intention

Regression model shows substantial strength with \( F=517.32 \), \( \beta \) coefficient = 0.630) and a highly significant p value.

2. Relationship between Similarity & Consumer Purchasing Intention:

H2a: Similarity among the celebrity endorser and customers positively impacts the purchase intention of the buyers.
### Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of Estimate</th>
<th>R Square Change</th>
<th>F Change</th>
<th>df1</th>
<th>df2</th>
<th>Sig. F Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>.449*</td>
<td>.202</td>
<td>.201</td>
<td>.73932</td>
<td>.202</td>
<td>198.976</td>
<td>788</td>
<td>.000</td>
</tr>
</tbody>
</table>

*a. Predictors: (Constant), Similarity*

#### Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>(Constant)</td>
<td>1.279</td>
<td>.053</td>
</tr>
<tr>
<td>Similarity</td>
<td>.317</td>
<td>.022</td>
</tr>
</tbody>
</table>

*a. Dependent Variable: Purchase Intention*

Derived value of (R=.449), only 20.1% variance (Adjusted R2)

**Required ANOVA**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*a. Predictors: (Constant), Likability*

in case of similarity model also shows good fit with the derived value of (F=198.97), and a highly significant p value. As the regression analysis result shows a direct relationship between the two variables therefore we accept H2a

### 3. Relationship between Likeability & Consumer Purchase Intention:

**H2b**: Celebrity likeability positively influences the purchase intention of the purchaser.
It reveals that 29.3% variability in consumer purchase intention is being explained or influenced by the second determinant of the source attractiveness model i.e. likeability.

Consequently the regression model shows the derived value of \((F=328.40)\), \((\beta \text{ coefficient } = .411)\) and p value is highly significant depicting a strong relationship between the celebrity likeability and consumer purchase intention.

4. The Relationship between Familiarity & Consumer Purchase Intention

**H2c: Celebrity familiarity positively affects the consumer’s purchase intention**

Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>R Square Change</th>
<th>F</th>
<th>df1</th>
<th>df2</th>
<th>Sig. F Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>.558²</td>
<td>.311</td>
<td>.310</td>
<td>.68679</td>
<td>.311</td>
<td>355.733</td>
<td>1</td>
<td>.000</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Familiarity
According to the above mentioned results, once again a positive relationship has been recorded between the source familiarity and consumer purchase intention. The derived value of ($R=.558$), with a 31% variance (Adjusted R²)

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>167.792</td>
<td>1</td>
<td>167.792</td>
<td>355.733</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>371.684</td>
<td>788</td>
<td>.472</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>539.476</td>
<td>789</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Familiarity
b. Dependent Variable: Purchase Intention

As shown in the table the value of (F=355.73), $\beta$ coefficient = .406) and the value of one tailed p < .001, we therefore accept H2c.

## Conclusion

The results extracted from the current study strongly accept the relationship between celebrity endorsement and consumer purchase intention. As celebrities have charismatic influences on the lifestyle and mindsets of the general public therefore, they can better help the brand advertisers to strengthen their brand recall as well as the overall brand equity (Kumar, 2010, & Munnukka, 2016). Majority of the respondents were of a view that they do consider and appreciate the presence of celebrities in brand advertisements. They believe that they idealize these famous personalities from the various fields of interest. Therefore, it is concluded that the purchase intention of the buyers is remarkably influenced by their favorite super stars (McCormick, 2016). Respondents of the current study revealed that they are most commonly exposed to celebrity based commercials. They think that it’s one of the most influential marketing strategies to endorse brands through these famous figures. It also means that as compared to non-celebrity sources, the celebrity endorsement is more influential in order to create positive impact on consumer buying behavior (Priyankara et. al, 2017). These celebrities appear almost on every
type of media, whether print, electronic or social media. Majority of the respondents believed that television is one of the most important sources of promoting brands. They also give weightage to the celebrity based advertisements on internet, newspaper and magazines. The results extracted from the current study strongly accept the relationship between celebrity endorsement and consumer purchase intention. As celebrities have charismatic influences on the lifestyle and mindsets of the general public therefore, they can better help the brand advertisers to strengthen their brand recall as well as the overall brand equity (Amit Kumar, 2010), & (Munnukka et. al, 2016). Majority of the respondents were of a view that they do consider and appreciate the presence of celebrities in brand advertisements. They believe that they idealize these famous personalities from the various fields of interest. Therefore, it is concluded that the purchase intention of the buyers is remarkably influenced by their favorite super stars (McCormick, 2016). Respondents of the current study revealed that they are most commonly exposed to celebrity based commercials. They think that it’s one of the most influential marketing strategies to endorse brands through these famous figures. It also means that as compared to non-celebrity sources, the celebrity endorsement is more influential in order to create a positive impact on the overall consumer buying behavior (Priyankara et.al, 2017). These celebrities appear almost on every type of media, whether print, electronic or social media. Majority of the respondents believed that television is one of the most important sources of promoting brands. They also give weightage to the celebrity based advertisements on internet, newspaper and magazines. This somehow, also proves the overall development and significance of the mass media in our country in general, and in Khyber Pakhtunkhwa in specific. As the battle of brands is getting fierce both at the global and local levels, that’s why marketers are trying to endorse their brands through competent sources. That is why the celebrities are now most commonly endorsing the global and local brands on different media locally and globally as well (Mazlan et.al. 2016). The results of the current study reveal the same fact where majority of the respondents reported that film stars, drama actors and sporting figures have more appealing instinct than non-celebrity endorsers. As celebrities can better attract and retain the consumer attention towards the advertised brands and thus can positively impact their purchase intention (Roy et. al, 2015). Consequently, the current study validates the overall effectiveness of celebrities as brand endorsers in relation to the consumer purchase intention. It also states that brand advertisers should always be very careful while selecting an appropriate celebrity as their brand endorser. Moreover, this right choice of the celebrity endorsers can make the big difference both in the short and long run in creating positive impacts on consumer minds and life styles.

Limitations of the Study:
This study was conducted in Khyber Pakhtunkhwa province of Pakistan. Due to lack of financial, technical and human resources consumers from Its Capital City Peshawar and the surrounding sub urban areas were only contacted. Due to the same reason, the consumers from the rural areas of Khyber Pakhtunkhwa were not contacted. The respondents were between the ages of 16 to 45. The senior citizens were also not contacted who might have a totally different set of perceptions regarding the celebrity endorsements in relation to their buying intentions.
Suggestions for the future researchers:

The future researchers can take comparatively bigger sample sizes in order to determine the impact of celebrity endorsement on the consumer buying behavior. This would enable them to make more authentic and empirical analysis of the subject matter under discussion. Future studies can also play their role in order to determine the impact of the celebrity endorsement on the buying behavior of the senior citizens. Future studies can also consider the rural buyers from the various parts of Khyber Pakhtunkhwa in specific and other rural parts of the country in general or as per their research objectives. Investigating the impact of the local and international celebrities on the consumer buying behavior can be a next suggestion for the future researchers. Last but not the least, future studies can also focus on investigating the impact of negative publicity about a celebrity on the consumer purchase intentions.

References:


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Kumar (2010). Thesis on “Celebrity Endorsement and its impacts on buying behavior” (in context to India), Bournemouth University, U.K.


