Credibility of Celebrity Endorsement and Buying Intentions an Evidence from Students of Islamabad, Pakistan

Naveed Ahmed¹*, Omer Farooq², Junaid Iqbal³

¹Faculty of Management Sciences, National College of Business Administration, Lahore, Pakistan
²Bahaudin Zakariya University, Multan, Pakistan
³Muhammad Ali Jinnah University, Islamabad, Pakistan
*E-mail address: Naveed_8989@yahoo.com

ABSTRACT

Celebrity Endorsement has become one of the important tools in advertisement persuading customers. No study has been yet conducted in Pakistan to measure the impact of credibility of celebrity on the buying intentions of customers. This paper investigates the credibility of celebrity endorser influence on consumers buying intention and also whether the experience of celebrity with the usage of endorsed product matters to consumers or not. For this purpose Regression tests are used and questionnaire was distributed to respondents who were university students/scholars. Results show that the in celebrity endorsement, credibility of endorsing celebrity matters for the consumer before the endorsed product also the experience of the celebrity with that product usage. Companies using celebrity endorsement strategy for their promotion must carefully select the endorsing celebrity with relatively high credibility.

Keywords: Celebrity endorsement; purchase intentions; youths of Pakistan; university students

1. INTRODUCTION

Due to cut throat competition companies use advertisement as most effective and bombardment tool to gain the competitive advantage. As celebrities are largely connected to public so celebrity endorsement is thought to be the best tool of advertisement to target maximum audience.

The product endorsed by celebrity can be transferred into more favorable attitude and product evaluation by the consumers (Dean & Baswas, 2001). Its impact on financial returns is significant and helps to get competitive advantage (Erdogan, 1999). In America, 25 % companies use celebrities in their ad due to its significance (Money, Shimp et al. 2006). Audience show interest in the endorsed product, an expert and consumer endorsement both increase audience attitude towards the product (Wang, 2005 ),

These factors prove the importance of celebrity but there can be others factors also that can alter the effectiveness of celebrity like the match between the product endorsed and celebrity (Till & Shimp, 1998).
McCracken (1989) defines Celebrity endorsement as: “Any individual who enjoys public recognition and who uses this recognition on behalf of a consumer good by appearing with it in an advertisement”. If a company wants to create an image for its product or service then celebrity endorsement is the most effective and highlighted which can influence the customer. The combination of celebrity with brand should be according to the interest of target audience (Till, 1998). Agrawal and Kamakura (1995) concluded that the advertisements using celebrity is more effective than the advertisements using non-celebrity which shows a great contrast between celebrity and non-celebrity. There has been a diversified work of researchers regarding celebrity like effectiveness of celebrity, the positive and negative aspects of celebrity endorsement (Till & Shimp, 1998); Profitability of celebrity endorsement (Amadi, 2005); celebrity endorsement and purchase intentions (Kamins, Brand et al. 1989); Fitting of celebrity with the endorsed product (Gwinner & Eaton, 1999; Till & Busler, 2000) the relationship of product differentiation and endorser (Busler, 2002); association of celebrity and its effectiveness (Daneshvarya & Schwer, 2000); and celebrity attractiveness, credibility, and trustworthiness (Ohanian, 1990; Rex, 1997).

(Harmon & Coney, 1982) found that Greater credible resource of communication is more influential than less credible resource and it draws more constructive purchase behavior, it is very much necessary to use very credible resource to encourage the brand switching. The less credible source is more influential then more credible source When the audiences are previously positively disposed to the message so less credible source is some time much important than high credible source (Sternthal, Dholakia et al. 1978). It has been confirmed that credibility of the commercial and endorser increases willingness to buy (Goldsmith, Lafferty et al. 2000; Shimp, 2000; Zahaf and Anderson, 2008).

People are star-struck by film stars, cricketers, politicians and national heroes. Why? The 170 million people are in love with celebrities because the matching principal, admiration, comfort and familiarity compel them to watch the celebrities in the ads. Pepsi got top position in beverages industry of Pakistan by using 90 % sports celebrities in their ad and the massive 500 % increment of sales of Telenor (talkshawk Package) proves the significance of celebrities in Pakistan (Khan, 2009). But here we are checking the credibility of celebrity in Pakistan because here people either they response like European or Canadian culture (Zahaf & Anderson, 2008; Nadeem Iqbal, et.al, 2014 ) or differently.

1.1. Literature Review

[After reviewing the celebrity endorsement, selection criteria of celebrity, credibility of celebrity with the help of (Ohanian, 1990) Model and its impact on the consumer intentions to buy.]

In the development of promotional program, it’s necessary to adopt such type of strategy for advertisement in which the Main focus should be the communication of distinctiveness and newness of the product to shape the positive attitude and enhanced purchase intentions towards brand (Lafferty & Goldsmith, 2004). There are different entities which can influence the purchase intentions of the public that can be an expert, celebrity, whether an association or an endorser expertise (Daneshvarya & Schwer, 2000). The celebrity is an eminent personality who enjoys public recognition and uses that recognition in order to persuade the customers (McCracken, 1989). The celebrities can better influence the desires and feelings of target audience than the non-celebrity. (Till, 1998). It’s successful for building brand equity with the increment of brand credibility and provide course of action for selecting an endorser. (Forouhandeh, Nejatian et al. 2011). The voice of celebrity creates an important role in TV or radio advertising in order to persuade the customer. (Leung, Kee et al. 1999). With voice the
attraction of celebrities can also create a remembrance effect in the minds of customers. (Mohammad, Zoubi et al. 2011). The physical appearance and outlook of the endorser is dominant aspect for creating a match-up because the attractive endorser has positive effect on the enhancement in using product (Till & Busler, 1998). The Likeness of attractive communicator is more than the unattractive communicator and its impact on the purchase intentions of people is more favorable. (Joseph, 1982)

It’s more effective by using several celebrity endorsements. The level of matching between target audiences (gender-wise) and the celebrity endorser take part in the effectiveness of advertisement (hsu and McDonald, 2002). The selection of celebrity is not only the solution of problem but the realization of people with the argument of celebrity (Silvera & Austad, 2004).

According to different researchers the criteria for the selection of celebrity is different. Some of the different criteria are:


The consumer willingness to purchase is complicatedly related to the credibility of the celebrity, their understanding according to the knowledge about celebrity, the pleasant appearance, their reputation as well as celebrity resemblance to product (Sliburyte, 2009). But according (Hovland & Weiss, 1951) to there is no difference in provision of factual information either by a credible person or non-credible person. The systematic impact of source credibility on thinking generation is more on attitude at the time of their early views. (Sternthal, Dholakia et al. 1978).

According to Ohanian (1990) there are different factors which affects the source credibility of the celebrity and proposed a model (that’s our base model). There are three main determinants of source credibility which are attractiveness, experience and trustworthiness. Each determinant has different characteristics. We are taking experience with the moderating effect and investigating the impact of credibility of the celebrity on consumer willingness to buy. The model is as follow;

1.2. Attractiveness

The traditional concept that good appearance makes sense in people to purchase something (Reingen & Kernan, 1993). The visual elements of an ad create a sense of
attractiveness and develop a positive attitude towards purchase attention. (Clow, James et al. 2006). The works of many researchers prove that the outlook and physical attractiveness is a special element through which the effectiveness of celebrity is checked.

(Baker, CHurchill et al. 1977; Joseph 1982; Kahle and Homer, 1985; Winham & Hampl, 2008) But according to Bower & Landreth (2001) the highly attractive models are not so much effective in advertising often. There are many dimensions of attractiveness and which are difficult to determine, the attractiveness cannot be defined through a single dimension. (Caballero & Solomon, 1984). The attractive faces are the best indication for influencing social judgments. (O’Doherty, Winston et al. 2003). The beauty and outlook is not only matter but the non-physical attributes also play an important role in the effectiveness of celebrity like achievements in sports, tact, intelligence (Kamins, 1990; Sliburyte, 2009) relating to the ethnic group of consumer (Deshpandé & Stayman, 1994).

1.3. Trustworthiness

In the credibility ratings the trustworthiness is the most desirable by the customer because it’s the intangible magic of the celebrity which works due to trust (Moynihan, 2004). The main components of the trustworthiness are reliability, Dependable, honesty, sincere and trustworthy. Mostly the youngsters are more dependable than the old ones because they want to follow the trend by the celebrities (Pandey, 2011). Anyone who can positively or negatively influence the consumer’s attitude is called reference group and celebrities are the most reliable reference group (Escalas and Bettman, 2005). The women trust more on women celebrities and male on male celebrities (Sliburyte, 2009). As it was according to gender but at the different stages of consumer the level of trust and trustworthiness is same (Sutter and Kocher, 2007).

Companies can also get advantage of endorser high credibility which comes from high reputation, popularity, high public image and trustworthiness (Song, Chaipoopiratana et al. 2008).

2. EXPERIENCE

The products having low involvement and endorsed by an expertise having experience have a positive effect on intentions to buy by consumers (McGuire, 1985). Involvement in issue, (Cacioppo et al. 1981) the capacity of message to influence consumer, (Ratneshwar & Chaiken, 1991) timing for behavioral response, (Dholakia & Sterntha, 1977) timing of source recognition (Sternthal, Dholakia et al. 1978; Homer & Kahle, 1990). According to (Zhang et al. 2011) the term “Fit” is intimately related with the term expertise as the athletes would be more successful for the products related to performance of an athlete in a specific game. Ohanian (1990) found that the experienced one performs the effective role in the celebrity endorsement and it increase the credibility of a celebrity endorser rather than the attractiveness and trustworthy.

According to (Pappu et al. 2011) the increased trust in brand has an indirect impact on the brand and increases the credibility and trust on brand. The companies also use the strategy of using many endorser at the same for a single product (like Mobilink in Pakistan) in order to increase the willingness to buy by customer (Jensen et al. 1994). The customers can switch with the greater intentions to buy, if the competitor is offering greater convenience and trust (Ngobo, 2004). The hypotheses are as follow:
H1: Credibility of the celebrity increases willingness of consumers to buy.
H2: Credibility with the moderating effect of moderating experience of celebrity increases willingness to buy

3. METHODOLOGY

Research has been conducted to analyze the relationship of credibility of celebrity endorser and consumers intentions to buy. Sampling university students as their buying behavior disclose many patterns. Like what consumers perceive about the celebrity endorsement, whether it helps to recall the brand, improves the image of product, buying routine of university students, influence of credibility of celebrity persuading to buy a particular product.

We want to elaborate the cause and effect of credibility of celebrity matters to consumers to buy a product and later to analyze the influencing variable to this relationship.

Questionnaires were distributed to 110 students and were selected for study on volunteer basis. Respondents were from different fields of study so that we could have more generalized response than from business graduates only. Respondents were selected on the basis that if they use any telecom mobile phone services.

4. RESEARCH DESIGN

Questionnaire was provided to students, it contained a print advertisement of celebrity endorsing a product. Respondent was directed to view the print advertisement first and then to fill the questionnaire so that a more concentrated and involved response could be gathered. Respondents were segregated into two groups. First group was provided a questionnaire having a print ad of celebrity with high credibility while second group’s questionnaire included the print ad of celebrity with relatively low credibility. Questionnaire was filled in the presence of experimenter and immediately returned immediately.

After viewing the advertisement respondents were asked to rate the credibility of celebrity on the 5-point scale provided by Ohanian (1990) for what they perceive celebrity is attractive, expert and trustworthy. Later section of questionnaire included the statements to measure the buying intentions of consumers influenced by the celebrity. For this measurement five point likert scale was used ranging from Strongly Agree to Strongly Disagree (1 = Strongly Agree, 2 = Agree, 3 = Neutral, 4 = Disagree, 5 = Strongly Disagree).

To verify the internal consistency all variables were tested to determine the structure of the data. Factor analysis facilitated that the constructs are right. Cronbach alpha of Credibility of Celebrity Endorser resulted 0.85, buying intentions 0.90 and the experience of celebrity with usage of product had 0.60 cronbach alpha. The measure of credibility was analyzed with the 5-Point likert scale with 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Disagree. All measures are strongly correlated with each other. The reliability of the measures is checked by Cronbach's alpha and all are at the value of acceptability. The Cronbach’s alpha of credibility of celebrity is 0.845, experience 0.60, and buying intentions is 0.894.
5. RESULTS

Sample was selected randomly from population. Firstly discussing the demographics of respondents;

Table 1. Distribution of Gender.

<table>
<thead>
<tr>
<th>Variable of Gender</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>76</td>
<td>69.1%</td>
</tr>
<tr>
<td>Female</td>
<td>34</td>
<td>30.9%</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100%</td>
</tr>
</tbody>
</table>

Table 1 shows male responded with high percentage of (69.1 %) and female with (30.9 %).

Table 2. Distribution of Age.

<table>
<thead>
<tr>
<th>Variable of Age</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>15-20 years</td>
<td>22</td>
<td>20.0%</td>
</tr>
<tr>
<td>21-25 years</td>
<td>71</td>
<td>64.5%</td>
</tr>
<tr>
<td>26-30 years</td>
<td>12</td>
<td>10.9%</td>
</tr>
<tr>
<td>Above 30 years</td>
<td>5</td>
<td>4.5%</td>
</tr>
<tr>
<td>Total</td>
<td>110</td>
<td>100%</td>
</tr>
</tbody>
</table>

Table 2 shows age group of 21-25 years responded with highest percentage of (64.5 %), age group with 15-20 years on second with the percentage of (20 %), age group 26-30 years responded (10.9 %) and lastly above 30 years group at lowest with (4.5 % only).
Table 3. Occupations of Respondents.

<table>
<thead>
<tr>
<th>Variable of Occupation</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student</td>
<td>78</td>
<td>70.9</td>
</tr>
<tr>
<td>Young Professional</td>
<td>20</td>
<td>18.2</td>
</tr>
<tr>
<td>Businessmen</td>
<td>8</td>
<td>7.3</td>
</tr>
<tr>
<td>Other</td>
<td>4</td>
<td>3.6</td>
</tr>
<tr>
<td>Total</td>
<td>110</td>
<td>100</td>
</tr>
</tbody>
</table>

Table 3 exhibits that student with highest percentage (70.9 %), young professionals with (18.2 %), and part time business owners with 7.3 % and other with lowest percentage (3.6 %). We have used two hypotheses in our research. The first one is about the relationship of credibility of celebrity and consumer willingness to buy. The other one is about the relationship of credibility of celebrity and consumer willingness to buy with the moderating effect of experience of celebrity.

We checked the validity of both of hypothesis with the help of descriptive statistics. We computed the mean and standard deviation of all the items. Credibility of celebrity shows the mean of 3.5418, which shows the evaluation about it great. The evaluation about the experience and buying intentions is median.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>CB</td>
<td>3.5418</td>
<td>.76415</td>
</tr>
<tr>
<td>EX</td>
<td>3.4121</td>
<td>.89389</td>
</tr>
<tr>
<td>BI</td>
<td>3.4529</td>
<td>.84359</td>
</tr>
</tbody>
</table>

H1: The credibility of celebrity has positive relation on the buying intentions of consumers.
H2: The experience of celebrity about a produce moderates the effect of credibility of celebrity and its impact on buying intentions of consumer.

In analyzing the results of model we found that all proposed relationship did not got strong support from the results. The direct relationship between credibility of celebrity and the consumer willingness to buy shows significant with the value of .000.

After controlling the effect of independent variable and creating the interaction term including the credibility of celebrity and moderator experience then the significant level is .457. Which shows there is negative relationship of moderating effect of experience. The R-Square change and unstandardized beta is in the table:
6. DISCUSSION

The use of credible celebrity in the advertisement is suggested in the as a significant factor in the effective advertising. Yet there has been a little research in the field of credibility of celebrity in the advertising. Results of the study add to literature in many aspects. First, Celebrity Endorsement is important for the companies to capture the attention of their consumers because the audiences are influenced by the celebrities in willingness to buy. We testified that the credibility of the endorser matter to viewer/respondent/user/consumer to buy a particular product. This credibility not only influences the mind of consumers to purchase the product but also to develop a positive word of mouth regarding the brand being endorsed by the high credibility celebrity. Our results show that if the credibility of celebrity is high then it influences more to buy than a celebrity with relatively low credibility. The experience about a product is not necessary in the advertisement because audiences only care about the opinion of celebrity about the product. But it’s true that their opinion acceptance strongly depends on the credibility of celebrity. So using a credible celebrity in the advertisement is goldmine for the companies for earning the market share, profits and revenues. Unlike the findings of Zahaf and Anderson (2008) credibility, in terms of attractiveness, trustworthiness and expertise, has significant importance when there is celebrity to endorse a product. Experience of Celebrity Endorser with the usage of endorse brand positively moderates the relationship of credibility of celebrity endorser and buying intentions. Consumers believe that if celebrity uses the endorsed product then it increases intentions to buy the endorsed product. This contradicts with the finding Zahaf and Anderson (2008) and agrees with the finding of Kahle and Homer (1995) in terms of experience which matters consumers.

This study supports the findings of the Zahaf and Anderson (2008) in terms of their determinants influencing the buying intentions of the consumers that are attractiveness, trustworthy, and experience. Experience does not really matters to the consumers because trustworthy and attractive celebrity can influence more the audiences. When the entertainment or sports celebrity is selected then their attractiveness and the trustworthiness are the first priorities of the companies. Our studies contradict the study of the Kahle and Homer (1995)
that the experience of celebrity matters in the advertising. The moderating relationship of the celebrity in the effect of willingness to buy by the consumer is weak.

Companies uses the celebrities on the bases of the popularity in the public but the guarantee of success is not necessary in this type of advertising so the selection of celebrity is such phenomena in which the companies have to care about the credibility of celebrity because it is positively correlated with the consumer willingness to buy. So it’s proved that if the celebrity is well known but not credible then he will not so much influence the consumer willingness to buy. It’s clear when the company designs its promotion strategy for setting an image in the minds of consumer then hiring of celebrity should not be only work but the survey should be conducted for knowing about the most credible celebrity. Finally, using celebrity endorsers with high credibility can help consumers to remember the brand and can affect them to recall when they are at purchase store.

6.1. Implications

Our study adds to literature in the aspect mentioned above. In the case of managerial implications, the companies which use promotional strategies, particularly celebrity endorsement must be careful while selecting celebrity for endorsement because our study clearly shows that credibility of endorsers matters a lot for consumers. If the celebrity is well known but not credible then it will not affect consumers’ willingness to buy the endorsed product. Company should design their promotional strategy after proper research that which celebrity is appropriate to endorse product according to their target audience, keeping the credibility factor in the mind.

6.2. Future Direction

Research study can be replicated for the other contexts. We conducted this study to find out the effect of credibility of celebrity on buying intentions. Furthermore this study can be conducted again with different variables like attractiveness of celebrity on of brand value, moderation with similarity and attractiveness of celebrity and with other variables. Different age groups can be tested for even generalized response.

6.3. Limitation

This study has been conducted within very short span of time. Small size of sample has been used and has been only tested within two cities Rawalpindi and Islamabad, Pakistan. Moderation has been tested with experience of celebrity only.

References


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