THE IMPACT OF CELEBRITY ENDORSEMENT ON THE BUYING BEHAVIOR ON THE STUDENTS OF COLLEGE OF BUSINESS ADMINISTRATION IN PUP MANILA 2019-2020

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ABSTRACT

The general aim is to analyze the overall impact of celebrity endorsement on customer purchasing behavior. Purchase intention and negative publicity were considered to determine whether celebrities had a real impact on the purchase intentions of consumers.

The researchers used a correlational, quantitative approach to quantifying and analyzing variables and data in numerical form to generate results and conclusions on the impact of celebrity endorsements on consumer purchasing behavior. The questionnaire was used to collect students’ knowledge and opinions about the research topic they were researching. The researchers chose the research design of the survey because it was best suited to answer the questions and the purpose of the study.

The results show that the majority of respondents were neutral as to whether they would buy a product that was endorsed by celebrities. Though most of them would also agree to purchase a product that is supported by celebrities. With regard to negative publicity, a large number of respondents agreed that negative publicity about a celebrity would have an impact on their purchase decision.

CHAPTER ONE
INTRODUCTION
BACKGROUND OF THE STUDY

Celebrity endorsement has become a huge industry in the world today amounting to millions and millions of money. This has become one of the tools for marketers and advertisers when it comes to introducing their products to their market especially to increase their sales and change the perception of the consumers when it comes to the brand (Ahmed, Seedani, Ahuja, & Paryani, 2015). Here in the Philippines, one of the well-tested and effective formulas for advertising a product is by using celebrity endorsers or other high-profile personalities (Export.Gov, 2019). In fact, celebrities are being treated as role models by many people today. People are willing to do many things to whatever extent just to be like their favorite celebrities. With this, it can be said that using celebrity endorsements can create a huge impact on the consumer buying behavior of a consumer (Khatri, 2006).

Due to fast and continuous changes that we experience in the world today, the marketing and advertising industry has been experiencing a more competitive environment that makes it hard for them to capture the attention of consumers through pictures, magazines, newspapers, billboards, websites, radio, and television. A marketer must think of ways to on how to capture the attention of their target market despite the bombardment of thousands of ads created by other competitive companies. One of the best ways to capture their attention easily is through celebrities because they are the “influential spokesperson for the brands”, (Qureshi & Malik, 2017).

Since it has been proven for a lot of times that celebrities are influential to the consumers, the huge question is, do celebrities really impact their buying behavior when it comes to endorsing brands? This research topic is important,
especially to the marketers and advertisers, because knowing what attributes of celebrity impacts the buying behavior of their consumers can be a huge leverage when creating advertisements with celebrities with the goal of increasing their sales and creating or changing a strong brand image for their company.

OBJECTIVES OF THE STUDY

Although there have been a huge number of academic literature available on the topic of the impact of celebrity endorsement, there have been few studies conducted in the Philippines when it comes to the buying behavior of influenced by celebrities. The researchers have generated objectives that are mainly focused on the impact of celebrity endorsements on the consumer buying behavior.

General Objective:

- To examine the overall impact of celebrity endorsement on the consumer buying behavior on the students of College of Business Administration at Polytechnic University of the Philippines – Sta. Mesa, A.Y. 2019-2020

Specific Objectives:

- To study the demographic profile of consumers with regards to the categories of products (durables/non-durables),
- To find out which type of celebrity endorsement (traditional famous personalities vs. influencers) most likely persuades a consumer to purchase a product,
- To identify which attributes of celebrity influence the buying decision of a consumer,
- To examine the perception of consumers towards celebrity endorsing the product.

HYPOTHESIS OF THE STUDY

\( H_1: \) There is no significant difference that exists between the categories of products preferred (Durables/Non-Durables) with respect to age, sex, course, and religion.

\( H_2: \) There is no relationship between attributes of celebrity [expertise of celebrity (EX), trustworthiness(TW), similarity between celebrity and consumer (SM), familiarity among consumers (FM), likeability among consumers (LK), Match between the celebrity and the product (MU) and meaning transfer from the celebrity (MT)] and purchase intention.

\( H_3: \) There is no significant impact of attributes of celebrity (expertise of celebrity(EX), trustworthiness(TW), similarity between celebrity and consumer (SM), familiarity among consumers (FM), likeability among consumers (LK), Match between the celebrity and the product (MU) and meaning transfer from the celebrity (MT)) on purchase intention.

METHODOLOGICAL APPROACH OF THE STUDY

The researchers will be using a correlational, quantitative approach that deals with quantifying and analyzing variables and data into numerical form in order to generate results and conclusions about the impact of celebrity endorsements in consumer buying behavior. It is correlational because it aims to determine the relationship between celebrity endorsements and consumer buying behavior (Apuke, 2017).
CHAPTER TWO

REVIEW OF RELATED LITERATURE

INTRODUCTION

Celebrities are involved in endorsing activities since late nineteenth century. With each day passing the number of celebrities involved in endorsing activities also increased. Perhaps, it has become one of the most important tools of advertising. Celebrities are considered to bring attention towards advertisement due to their likeability and attractiveness (Erdogan, 2001). Marketers use celebrity endorsers to influence the purchase decision of consumers in order to increase their sales and extend their market shares (Kumar, 2010). According to Silvera & Austad (2004), celebrities are people who enjoy public recognition among a large group of people and possess distinctive qualities like attractiveness and trustworthiness. Celebrity endorsement business is a billion dollar industry in today’s era (Kambitsis et al, 2002). Marketers spend huge amount of money on celebrity endorsement contracts annually (Katyal, 2007), which shows that celebrities play an important role in the advertising industry.

CONCEPT AND MEANING OF CELEBRITY

CELEBRITY

There is a huge number of and concepts and meanings of celebrity. According to McCracken (1989), celebrity includes people from movies, television, sports, politics, business, artists and persons from the military. Celebrities can also be defined as “people who enjoy public recognition by a large share of certain group of people” (Schlecht, 2003). Meanwhile, Kurzman, et al., (2007) defines a celebrity as “an omnipresent feature of society, blazing lasting impressions in the memories of all who cross its path”.

CELEBRITY ENDORSER

“Celebrity endorser is an individual who is known by the public for his or her achievements in areas other than that of the product class endorsed” (Friedman and Friedman, 1979).

CELEBRITY ENDORSEMENT

Celebrity endorsement has been defined 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” (McCracken, 1989).

TRADITIONAL FAMOUS PERSONALITIES VS INFLUENCERS

Influencers or “micro-celebrities” are “non-traditional celebrities who have become famous through online media usage.” Since there is a huge growth of use with regards to social media, there have been many media users and content creators with regards to a huge variety of topics that can be found online such as gaming, cooking, and do-it-yourself (DIY) crafts that is available for anyone on social media platforms such as Facebook, Instagram and Youtube. They differ from Traditional Famous Celebrities categorized as actors, musicians, models, and others that became famous from their offline career (Nouri, 2018).

CELEBRITY ENDORSEMENT EFFECTIVENESS

Models for explaining celebrity endorsement effectiveness can be seen figure 2.1.

SOURCE CREDIBILITY MODEL

Source Credibility in a broad sense, refers to a communicator’s positive characteristics that affect the receiver’s acceptance of a message (Ohanian, 1990, p.41) and based on the research in social psychology (Hovland, et al., 1953). Trustworthiness refers to the “honesty, integrity and believability of an endorser” (Erdogan, 2001). Consumer has generally a consideration that celebrities are trustworthy source of communicating information (Goldsmith et al, 2000). Marketers take the advantage of these set of values by employing celebrities those are most regarded as trustworthy, honest believable and dependable among their fans and people (Shimp, 1997). Term
expertise is defined as “the extent to which a communicator is perceived to be a source of valid assertions” (Hovland, et al., 1953). In order to persuade recipients of information endorser’s expertise has encouraging effect on receivers (Ohanian, 1990). Endorser with high knowledge and skills has strong power of recommendation as compare to the endorsers with low expertise (Ohanian, 1990).

**FIGURE 2.1. Source Credibility, Source Attractiveness and Meaning Transfer model**

**SOURCE ATTRACTIVENESS MODEL**

Source Attractiveness Model as a component of the “source valance” model (McGuire, 1985), is mainly based on four dimensions; namely “familiarity” (knowledge of source through exposure), “likeability” (affection for source based on its physical appearance or behavior), “similarity” (resemblance between the source and the audience), and “attractiveness” (McCracken, 1989: 311); (Mehulkumar, 2005:6). Accordingly, the effectiveness of the message depends on these dimensions (Kumar, 2010). Familiar, likeable and/or similar sources are seen as more attractive and persuasive (Ohanian, 1990). Such people evoke positive stereotypes and as a result physically attractive communicators are more successful at changing beliefs Baker and (Churchill, 1977); (Chaiken, 1979), attitudes (Baker and Churchill, 1977); (Caballero and Pride, 1984); Chaiken (1979) and generating purchasing intentions (Friedman et al., 1977); (Petty and Cacioppo, 1980); (Till and Busler, 2000).

**MATCH-UP AND MEANING TRANSFER MODEL**

The Match-up suggests that the effectiveness of an advertisement depends on the existence of a perceived ‘fit’ between the endorsing celebrity and the brand endorsed by him (Till & Busler, 1998). The Product Match-up model suggests that the celebrity and product features should complement each other for effective advertising (Kamins, 1989). The match between the product and celebrity depends on the common attributes between product features and celebrity image (Misra & Beatty, 1990). The product match-up model suggests that attractive celebrities especially attractive female celebrities are more effective at endorsing beauty products, the products used to enhance ones attractiveness (Kamins, 1990).
McCracken (1989) explains that the celebrity would be effective only if clarity is achieved by the meanings consumers associated with endorser which are eventually transferred to the brand. He explains this model (can be seen on figure 2.2) in 3 stages:

**MEANING ACQUISITION**

Stage 1

- Role 1
- Role 2
- Role 3

**ENDORSEMENT**

Stage 2

- Celebrity
- Product

**CONSUMPTION**

Stage 3

- Consumer

Figure 2.2. Model of Meaning Transfer

According to McCracken (1986), this model suggests that this meaning starts from the culturally established word, moves into goods via the fashion style, word of mouth, reference groups, subculture, celebrities and the media.

**PROS AND CONS OF CELEBRITY ENDORSEMENT STRATEGY**

Celebrity endorsements can make a big difference when you want to reach your target market fast. Once your product is seen in any of the celebrity appearances, people can easily build recognition from it. However, all the marketing strategies available for use have its pros and cons. Here are some pros and cons on using celebrity endorsements:

<table>
<thead>
<tr>
<th>Potential advantages</th>
<th>Potential Hazards</th>
<th>Preventive Tactics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased Attention</td>
<td>Overshadow the brand</td>
<td>Pre-testing and careful planning</td>
</tr>
<tr>
<td>Image Polishing</td>
<td>Public Controversy</td>
<td>Buying insurance and putting provision clauses in contracts</td>
</tr>
<tr>
<td>Brand Introduction</td>
<td>Image change and overexposure</td>
<td>Explaining what is their role and putting clause to restrict endorsements for other brands</td>
</tr>
<tr>
<td>Brand Repositioning</td>
<td>Image change and loss of public recognition</td>
<td>Examining what life cycle stage the celebrity is in and how long this stage is likely to continue</td>
</tr>
<tr>
<td>Underpin Global Campaign</td>
<td>Expensive</td>
<td>Selecting celebrities who are appropriate for global target audience, not because they are “hot” in all market audiences</td>
</tr>
</tbody>
</table>

**TABLE 2.1. Pros and Cons of Celebrity Endorsement**
**SOURCE:** Erdogan, 1999

**CONSUMER BUYING BEHAVIOR**

In today’s dynamic and competitive environment, customers are continuously exposed to various different brands through different marketing strategies. Consumer behavior is an important and complex area for marketers as different people have different needs (Kumar, 2010). As stated by Lancaster, et al. (2005), satisfaction of consumer
needs is the ultimate goal for a business; so markets have to identify the needs of the customer first and then develop the products that satisfies the customer’s needs. Perner (2009) defined consumer behavior as "the study of individuals, groups, or organizations and the processes they use to select, secure, use, and dispose of products, services, experiences, or ideas to satisfy needs and the impacts that these processes have on the consumer and society."

FACTORs INFLUENCING CONSUMER BEHAVIOR

Consumer behavior refers to the selection, purchase and consumption of goods and services for the satisfaction of their wants. There are different processes involved in the consumer behavior. Initially the consumer tries to find what commodities he would like to consume, then he selects only those commodities that promise greater utility. After selecting the commodities, the consumer makes an estimate of the available money which he can spend. Lastly, the consumer analyzes the prevailing prices of commodities and takes the decision about the commodities he should consume. Meanwhile, there are various other factors influencing the purchases of consumer such as social, cultural, personal and psychological. The explanation of these factors is given below in table 2.

<table>
<thead>
<tr>
<th>Psychological</th>
<th>Motivation, Perception, Learning, Beliefs and Attitudes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal</td>
<td>Age and Life-cycle stage, Occupation, Economic Circumstances, Lifestyle, Personality and Self Concept</td>
</tr>
<tr>
<td>Social</td>
<td>Reference Groups, Family, Roles and Status</td>
</tr>
<tr>
<td>Cultural</td>
<td>Culture, Subculture, Social Class System</td>
</tr>
</tbody>
</table>

TABLE 2.2. Factors Influencing Consumer Behavior

INFLUENCE OF CELEBRITIES ON CONSUMERS

Celebrity is an omnipresent feature of society, blazing lasting impressions in the memories of all who cross its path (Kurzman, et al., 2007). Celebrities are often hired by advertisers to lend their personality to a product or brand (Kaikati, 1987). The use of celebrities has been widely used as it could provoke attitudinal and emotional reactions (Kanungo and Pang, 1973), than a non-celebrity endorser (Atkin & Block, 1983); (Petty and Cacioppo, 1983). In order to be effective a celebrity endorser should have the credibility to attract attention (Miciak and Shanklin, 1994) increase awareness of the endorsed product and influence the purchase decision of the targeted audience (Ohanian, 1991), Cooper (1984) and Dean & Biswas (2001,) found that advertisements featuring a celebrity deliver a higher degree of appeal, attention, recall rate and possibly purchase, compared to the ads without celebrities. Bowman (2002) argued that celebrity endorsements lead to an increased level of product recall. Chan, Leung Ng & Luk (2013) found that using a celebrity in an ad would increase brand awareness.

CHAPTER 3

METHOD AND MATERIALS

METHODOLOGICAL APPROACH

The researchers used a correlational, quantitative approach that deals with quantifying and analyzing variables and data into numerical form in order to generate results and conclusions about the impact of celebrity endorsements in consumer buying behavior. It is correlational because it aims to determine the relationship between celebrity endorsements and consumer buying behavior (Apuke, 2017).

RESEARCH INSTRUMENT

The questionnaire was used to gather students’ information and perceptions about the research topic that they were studying. The researchers derived and localized the survey questions from an existing research that they have found
named, *Impact of Celebrity Endorsement on Consumer Buying Behavior in the State of Goa* (Gauns, 2016). The researcher of the said paper gave an approval for the researchers to use the questionnaire in the research conducted through email.

**METHOD OF RESEARCH USED**

The researchers chose a survey research design because it best served to answer the questions and the purpose of the study.

The survey research is one in which a group of people or items is studied by collecting and analyzing data from only a few people or items considered to be representative of the entire group. In other words, only a part of the population is studied, and findings from this are expected to be generalized to the entire population (Nworgu, 1991:68). Similarly, McBurney (1994:170) defines the survey assessing public opinion or individual characteristics by the use of questionnaire and sampling methods.

**VALIDATION OF INSTRUMENTS**

Our head professor validated the questionnaire once localized. His corrections and suggestions will be incorporated in the draft for the next stage of validation. The responses that will be gathered will be tested for reliability.

**SAMPLING TECHNIQUES**

Cluster sampling was utilized in this research.

In this sampling, the whole population was subdivided into clusters, groups and random sample are then collected from each other. Cluster sampling is used when researchers cannot get information about the population as a whole, but can get information about the clusters. The main reason for cluster sampling is cost-efficiency. Generating sampling frame for clusters is economical and sampling frame is often readily available at cluster level.

**RESPONDENTS OF THE STUDY**

The sample of the population in this study consisted of 103 marketing students, 102 human resource management students, 78 office administration students and 56 entrepreneur students. In total, there were 340 students that answered our questionnaire.

The population may be small enough to warrant the inclusion of all of them in the study. But a study may entail a large population which cannot all be studied. That portion of the population that is studied is called a sample of the population (Nworgu, 1991:69). A sample in this study is therefore a smaller group of elements making up this sample are those actually studied.

**DATA GATHERING PROCEDURE**

The study consisted of 5 stages:

**Stage 1** Deals with the construction and localization of the questionnaires’ content.

**Stage 2** Deals with the validation and confirmation of our localized questionnaires from our head professor. Any corrections and suggestions will be incorporated for better results.

**Stage 3** The researchers clustered the chosen samples into five (5) groups which include the marketing management students, the human resource management students, entrepreneur students and lastly the office administration students. These courses are all under the College of Business Administration.

**Stage 4** Deals with the actual conducting of surveys to the chosen sample.

**Stage 5** Deals with the tabulating, tallying, analyzing and interpreting the data gathered. The data was analyzed using a statistical software called SPSS.
STATISTICAL METHODS USED

To interpret and test the validity of the data gathered, the researchers used the following:

1. **Chi-Square Test** to determine the effect of using the categories of products (durables/non-durables) with regards to age, gender, course and religion.
2. **Descriptive statistics** to determine the mean values of each set of variables and their standard deviation to find out which attribute is highly influencing the purchase intention of consumers.
3. **Multiple Correlation** to analysing relationship between attributes of celebrities.
4. **Multiple Regression** to determine the impact of attributes of celebrity on purchase intention.

CHAPTER FOUR

RESULTS

IMPACT OF CELEBRITY ENDORSEMENT ON DEMOGRAPHIC PROFILE

The purpose of this section is to evaluate the perception of consumers from the students of college of business administration at Polytechnic University of the Philippines – Sta. Mesa. The first objective framed at the beginning of this study is:

*To study the demographic profile of consumers with regards to the categories of products (durables/non-durables).*

<table>
<thead>
<tr>
<th>Demographic Characteristics</th>
<th>Categories of Products</th>
<th>Total</th>
<th>$\chi^2$ (p)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Durable</td>
<td>Non-Durable</td>
<td></td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>9</td>
<td>3</td>
<td>12</td>
</tr>
<tr>
<td>18</td>
<td>53</td>
<td>47</td>
<td>100</td>
</tr>
<tr>
<td>19</td>
<td>94</td>
<td>55</td>
<td>150</td>
</tr>
<tr>
<td>20</td>
<td>40</td>
<td>24</td>
<td>64</td>
</tr>
<tr>
<td>21</td>
<td>5</td>
<td>3</td>
<td>8</td>
</tr>
<tr>
<td>22</td>
<td>2</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td><strong>Sex</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>80</td>
<td>38</td>
<td>118</td>
</tr>
<tr>
<td>Male</td>
<td>123</td>
<td>95</td>
<td>219</td>
</tr>
<tr>
<td><strong>Course</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office Administration</td>
<td>57</td>
<td>21</td>
<td>78</td>
</tr>
<tr>
<td>Entrepreneurship</td>
<td>33</td>
<td>23</td>
<td>56</td>
</tr>
<tr>
<td>Human Resource</td>
<td>51</td>
<td>50</td>
<td>101</td>
</tr>
<tr>
<td>Marketing</td>
<td>62</td>
<td>39</td>
<td>102</td>
</tr>
<tr>
<td><strong>Religion</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Roman Catholic</td>
<td>175</td>
<td>111</td>
<td>287</td>
</tr>
<tr>
<td>INC</td>
<td>1</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Christian</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Baptist</td>
<td>11</td>
<td>6</td>
<td>17</td>
</tr>
<tr>
<td>Born Again</td>
<td>7</td>
<td>7</td>
<td>14</td>
</tr>
<tr>
<td>Islam</td>
<td>2</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Mormon</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Others</td>
<td>6</td>
<td>4</td>
<td>10</td>
</tr>
</tbody>
</table>

| TABLE 4.1 Results of the Chi-square test | *relevant at 0.05 |

The data is analyzed using the Chi-square test to see the relationship of using two categories of products, namely: durables and non-durables with regards to the demographic profile of the consumers as seen in table 4.1. Durable
products are those products which are not frequently purchased by consumers and which last for longer period of time e.g. washing machine, mobile phones, sporting goods etc. Non-durable products are those products which are used for shorter period of time e.g. clothing, footwear, food etc.

Table 4.1 shows the demographic profiling of the respondents which gives the number of respondents being a user of durable and non-durable products. It is seen that the p-values of age ($\chi^2=5.251, p<0.05$) and religion ($\chi^2=6.055, p<0.05$) are more than 0.05 to be relevant. Meanwhile, sex ($\chi^2=4.688, p<0.05$) and course ($\chi^2=11.815, p<0.05$) have p-values less than 0.05 making it significant. This result suggests that there is a significant difference between using durable and non-durable products with regards to age and course.

**MOST INFLUENTIAL CATEGORY OF CELEBRITY**

In this part, respondents were asked which type of celebrity is most influential as endorsers whether it is a traditional famous personality or an influencer, which in turn could motivate people to purchase the product endorsed by them. Analyses were done on the basis of age and sex. The second objective framed at the beginning of the study is:

*To find out which type of celebrity endorsement (traditional famous personalities vs. influencers) most likely persuades a consumer to purchase a product.*

![Bar chart showing the most influential category of celebrities by age](chart)

**TABLE 4.2 Most Influential Category of Celebrities by Age**

As seen in the table 4.2, ages 17 (58%) and 18 (59%) mostly prefer traditional famous personalities as their most influential category of celebrity. Meanwhile ages 19 (53%), 20 (59%), 21 (75%) and 22 (100%) prefer influencers as their most influential category of celebrity.
TABLE 4.3 Most Influential Category of Celebrities by Sex

On table 4.3, it shows that male respondents (54%) prefer famous traditional celebrities as their most influential category of celebrity, while the other 45% prefer influencers. On the other hand, 54% of the female respondents prefer influencers as their most preferred category of celebrity, while the other 45% prefer traditional famous personalities.

FACTORS AFFECTING PURCHASE INTENTION

The objective that is studied here is to investigate whether expertise of celebrity, trustworthiness, similarity between celebrity and consumer, familiarity among consumers, likeability among consumers, match between the celebrity and the product and meaning transfer from the celebrity influence the purchase decision of the consumers. To answer the objective, this chapter is divided into 3 parts. In first part, we will be using descriptive statistics to determine the mean values of each set of variables and their standard deviation to find out which attribute is highly influencing the purchase intention of consumers. In second part, correlation matrix is used to find out which are the attributes that positively influences the purchase intention of consumer and also to find out strength of relationship exists between dependent i.e. purchase intention and independent variables i.e. attributes. And in third part, multiple regression is used to find out whether there is significant impact of Attributes of celebrity on purchase intention.

The objective framed at the beginning of this study is:

To identify which attributes of celebrity influence the buying decision of a consumer

Descriptive Statistics

Table 4.4 shows the descriptive statistics of the dependent variable Purchase Intention and independent variables expertise, trustworthiness, similarity, familiarity, likeability, match up and meaning transfer.
TABLE 4.4 Descriptive Analysis of Celebrity Attributes

In table 4.4, the mean value is high in expertise (3.73) which means that the level of a celebrity’s skills and knowledge are very high which in turn can influence the purchase decision of consumers. In case of trustworthiness, the mean value is also high (3.72) indicating that the celebrity’s honesty can also influence the purchase decision, followed by familiarity (3.62), meaning transfer (3.61), match-up (3.58) and similarity (3.45). The lowest mean value is similarity which would mean that is the least important attribute to be considered as compared to other attributes. The value of standard deviation is low in case of meaning transfer (0.943) with the celebrity, whereas, it is high in case of similarity (1.023) with the celebrity.

Correlation Analysis

Correlation analysis has been used to measure the strength of association between two variables. The correlation between two variables can be either positive or negative. If the value of correlation is 0 then, there is no relationship or association that exists between two variables.

The table 4.5 shows that all seven independent variables, i.e. expertise (EX) of celebrity (0.321**), trustworthiness (TW) of celebrity (0.354**), similarity (SM) between celebrity and you (0.376**), familiarity (FM) with celebrity (0.395**), likeability (LK) of celebrity (0.453**), match (MU) between celebrity and product (0.448**) and meaning transfer (MT) from the celebrity (0.424**) are positively correlated with purchase intentions (PI) of consumers.

Multiple Regression Analysis

Multiple regression analysis is used to examine the change in dependent variable due to multiple independent variables. The model used for the analysis is explained below:

<table>
<thead>
<tr>
<th>Attribute</th>
<th>PI</th>
<th>EX</th>
<th>TW</th>
<th>SM</th>
<th>FM</th>
<th>LK</th>
<th>MU</th>
<th>MT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase Intention (PI)</td>
<td>r</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sig.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expertise(EX)</td>
<td>r</td>
<td>.321**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sig.</td>
<td></td>
<td>.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trustworthiness (TW)</td>
<td>r</td>
<td>.354</td>
<td>.659**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sig.</td>
<td></td>
<td>.000</td>
<td>.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Similarity(SM)</td>
<td>r</td>
<td>.376**</td>
<td>.406**</td>
<td>.529**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Sig.</td>
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<tr>
<td>Familiarity (FM)</td>
<td>r</td>
<td>.395**</td>
<td>.374**</td>
<td>.440**</td>
<td>.378**</td>
<td>1</td>
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<tr>
<td>Sig.</td>
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<tr>
<td>Likeability (LK)</td>
<td>r</td>
<td>.453**</td>
<td>.413**</td>
<td>.483**</td>
<td>.442**</td>
<td>.657**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Sig.</td>
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<td></td>
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<tr>
<td>Matchup (MU)</td>
<td>r</td>
<td>.448**</td>
<td>.472**</td>
<td>.562**</td>
<td>.496**</td>
<td>.489**</td>
<td>.585**</td>
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<td>Sig.</td>
<td></td>
<td>.000</td>
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<td>.000</td>
<td></td>
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<tr>
<td>Meaning Transfer (MT)</td>
<td>r</td>
<td>.424**</td>
<td>.503**</td>
<td>.532**</td>
<td>.422**</td>
<td>.536**</td>
<td>.571**</td>
<td>.598**</td>
</tr>
<tr>
<td>Sig.</td>
<td></td>
<td>.000</td>
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</table>

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

TABLE 4.5 Pearson Correlation Matrix
\[ PI = \beta_0 + \beta_1 (EX) + \beta_2 (TW) + \beta_3 (SM) + \beta_4 (FM) + \beta_5 (LK) + \beta_6 (MU) + \beta_7 (MT) + \epsilon \]

Where:
- \( PI \) = Purchase Intention
- \( EX \) = Expertise
- \( TW \) = Trustworthiness
- \( SM \) = Similarity
- \( FM \) = Familiarity
- \( LK \) = Likeability
- \( MU \) = Match up
- \( MT \) = Meaning Transfer
- \( \epsilon \) = error term

**TABLE 4.6 Model Summary of Regression**
a. Predictors: (Constant), Meaning Transfer(MT), Trustworthiness(TW), Match up(MU), Expertise(EX), Similarity(SM), Likeability(LK), Familiarity(FM)

Table 4.6 shows the result of overall regression analysis of Meaning Transfer (MT), Trustworthiness (TW), and Match between the celebrity and the product (MU), Expertise (EX), Similarity (SM), Likeability (LK), Familiarity (FM) with that of purchase decision. The value of \( r \) is 0.538 which indicates that there is a positive correlation between dependent and independent variables. Adjusted \( R^2 \) is 0.274 which suggest that 27.4% of purchase intention is explained by independent variables.

**TABLE 4.7 Effects of Predicators on Purchase Intention**

Table 4.7 indicates the effect of predicators on purchase decision of consumers. The regression results reveal that both expertise (EX) and trustworthiness (TW) can only explain 0.1% of purchase intention variability. This means that the remaining 99.9% of the variation in purchase intention cannot be explained by expertise (EX) and trustworthiness (TW). Next, only 0.4% of purchase intention can be explained by familiarity (FM) followed by meaning transfer (MT) with 0.7% and similarity with 1.1%. Lastly, both likeability (LK) and match up (MU) can explain 1.3% of the purchase intention variability.

**PERCEPTION LEVEL OF CONSUMERS TOWARDS CELEBRITY**

The aim of this section is to examine the perception of consumers towards celebrity endorsing the product as compared to non-celebrity endorsing the product. There were seven questions asked to the respondents namely: 1) Medium of Advertisements, 2) How Often Celebrities were Seen in Advertisements, 3) Celebrities or Non-Celebrities Advertisement Attraction, 4) Presence of Celebrities that Helps Recall the Product, 5) Products Endorsed by Celebrities Used in Real Life, 6) Perceived Celebrity Endorsement, and 7) Influential Celebrity Endorsements. The data for all seven questions were analyzed using tabulation to obtain the answer to the objective formulated. The objective framed at the beginning of this study is:

*To examine the perception of consumers towards celebrity endorsing the product.*
Medium of Advertisement (Cross Tabulated with Age)

In this question respondents were asked which medium is most likely to communicate celebrity advertisements whether it is TV, Magazines, Internet, Radio or Newspapers. Advertisement means promoting a product or service so to inform or influence the consumers to buy the product and medium of advertisement means various channels that are used to promote a product or services through celebrity or non-celebrity endorser. Medium of Advertisement was cross tabulated and then graph was prepared with age group and also with gender.

In table 4.8, the respondents were asked what medium they most likely to convey celebrity endorsed advertisements. Majority of the ages 17-19 chose TV advertisements as the most conveyed medium for celebrity endorsed advertisements with a percentage of 58.77% followed by internet with a percentage of 38.93%. To include the ages 20-22, the result would be the same.

<table>
<thead>
<tr>
<th>AGE</th>
<th>NO. OF RESPONDENTS</th>
</tr>
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<tbody>
<tr>
<td>17</td>
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<tr>
<td>21</td>
<td>6</td>
</tr>
<tr>
<td>22</td>
<td>3</td>
</tr>
</tbody>
</table>

![Bar Chart for Medium of Advertisement (Age)](image)

**TABLE 4.8 Medium of Advertisement (Age)**

Medium of Advertisement (Cross Tabulated with Sex)

Table 4.9 represents the Medium of Advertisement where analysis was done on the basis of sex. The result proved that both male (61.18%) and female (54.23%) chose TV advertisement and internet; female (44.06%), male (36.52%) as the most conveyed medium for celebrity endorsed advertisements.
TABLE 4.9 Medium of Advertisement (Sex)

How Often Celebrities Seen in Advertisement

In this question, respondents were asked how often they see celebrities in advertisement whether once a day, 2 to 7 times a day or more than 7 times a day. To find answer to this question, the researchers used graph which were cross tabulated with age group. From the table 4.10, it can be seen that the respondents of all age groups often see celebrities in advertisements 2-7 times a day with a percentage of 47.18%. A small percentage 40.35% of 17-22 respondents sees celebrities in advertisements more than 7 times a day.

TABLE 4.10 How Often People See Celebrities in Advertisement

Celebrity or Non-Celebrity Advertisement Attraction

In this question, respondents were asked what attracts them the most: celebrity advertisement or non-celebrity advertisement. Celebrities are people from movies, TV serials who has already created image in the mind of the consumer’s where else non-celebrities are those people which are not well known in the public. In table 4.11,
analysis was done on the basis of age group. The respondent of all age groups say that celebrity endorsed advertisements attract them more as compared to non-celebrity which account for 77.74% (262 respondents).

TABLE 4.11 Attraction (Celebrity VS Non-Celebrity)

Presence of Celebrities that Helps Consumers Recall Product

In this question, respondents were asked whether the presence of celebrities in the advertisements help them to recognize a product. For example, say whenever you ask consumers about a particular product or brand they will think a while and afterwards they will recognize it by think that this product was endorsed by so and so celebrity. In the table 4.12, analyses were done on the basis of age group. It is evident that the respondents of all the age groups agree that the presence of celebrities in the advertisements helps recognize and recall product more 41.24%. On the other hand, a small portion of all age group was neutral with the statement 31.15%.

TABLE 4.12 Recognize and Recall Rate
Products Endorsed by Celebrities Use Them in Real Life

In this question, respondents were asked if they think that products endorsed by celebrities themselves use them in their real life. In Table 4.13, analyses were done on the basis of age group. It states that 180 respondents of all age groups are neutral (53.41%) with the statement that products endorsed by celebrities use the products themselves in their actual lives.

<table>
<thead>
<tr>
<th>Age</th>
<th>17</th>
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<th>19</th>
<th>20</th>
<th>21</th>
<th>22</th>
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<tr>
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<td>14</td>
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<td>7</td>
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<td>5</td>
<td>1</td>
<td>2</td>
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</tbody>
</table>

TABLE 4.13 Products Endorsed by Celebrities Use Them in Real Life

Perceived Celebrity Endorsement

In this question, respondents were asked how they perceive celebrity endorsements. Perceived means how well celebrities are effective. In Table 4.14, analyses were done on the basis of sex. It states that out of 180 respondents, 55 male respondents (46.61%) view celebrity endorsement as effective and 99 female respondents (45.20%) also view celebrity endorsement as effective.

<table>
<thead>
<tr>
<th>Sex</th>
<th>1</th>
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<td>16</td>
<td>17</td>
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</table>

TABLE 4.14 Perceived Celebrity Endorsement
Influential Celebrity Endorsements

In this question, respondents were asked how influential do they think celebrity endorsements are. In table 4.15, analyses were done on the basis of age. It states that the 53.41% respondents of all group age consider celebrities influential. While a small portion of the (27%) respondents consider celebrities somewhat influential.

![Graph showing age distribution with bar chart]

### TABLE 4.15 Influential Celebrity Endorsements

IMPACT OF CELEBRITY ENDORSEMENTS ON CONSUMERS

This section shows the results for the overall impact of celebrity endorsement on consumer buying behavior. Two questions were asked to the respondents to find out the overall impact of celebrity on consumers. In the first part, there were three questions asked regarding the purchase intention of consumers. The result of the data analysis was done on the basis of tabulation. In the second part, a question was asked regarding the negative publicity of celebrity; tabulation was also used for data analysis. The objective formulated at the beginning of the study is:

*To examine the overall impact of celebrity endorsement on the consumer buying behavior*

**In this section respondents were asked three questions:**

- 1- I am likely to buy a product that have been endorsed by celebrities
- 2- I buy a product because my favorite celebrity endorse it
- 3- Overall, I am happy in buying the product endorsed by celebrities

The result of question (1) in table 4.16 shows that the large number of respondents (43.62%) are neutral with the statement means whether they are likely to buy the product endorsed by the celebrities or not. About 33.23% of people agree that they likely buy a product under the influence of celebrities. On the other hand, 11.27% respondents disagree with the statement means whether they are likely to buy the product endorsed by the celebrities
or not. Further, 8.3% of the respondents strongly agree and only 3.56% strongly disagree with the statement. Overall, 41.54% respondents are likely to buy a product that has been endorsed by celebrities.

The question (2) states that (see table 4.17) majority of the respondents are neutral with the statement i.e. 40.05% which means that they are neutral in purchasing the product that is endorsed by their favorite celebrity. However, 25.51% of people agree that they really buy the product under the influence of their celebrities. Only few respondents strongly agree in purchasing the product that is endorsed by their favorite celebrity. Further, 15.42% of the respondents disagree of buying the product endorsed by celebrity. Lastly, very few numbers of people (7.12%) in purchasing the product that is endorsed by their favorite celebrity.

The question (3) shows (see table 4.18) whether respondents are overall satisfied or happy in buying the product endorsed by celebrities. The result shows that large numbers of respondents (42.43%) are neutral with the statement. About 32.93% of people agree that they are very happy after the purchase of the product endorsed by their celebrities. On the other hand, 10.68% of respondents strongly agree with the statement. Further, 38.85% of people strongly disagree and 10.08% disagree with the statement that they are not happy in buying the product endorsed by celebrities. Overall, 43.62% of the respondents are very happy or satisfied in buying the product endorsed by celebrities.

Negative Publicity about Celebrity

Negative publicity means celebrities are involved in controversy. Negative publicity about the celebrity may destroy the public view of the celebrity which in turn makes him unsuccessful as an endorser. In this section, respondents were asked whether Negative Publicity about a celebrity endorser can influence their purchase decision. Analysis was done using graph.
TABLE 4.19. Negative Publicity

Analysis was done on the basis of age group. It shows that a large number of respondents (50%) under age 19 say that negative publicity about a celebrity influence their purchase decision, whereas 8% of the respondents say that it does not affect their purchase decision and lastly, 20% of the respondents say that sometimes it may affect their purchase decision. Overall, it suggests that people of all age groups’ purchase decision is affected by a celebrities negative publicity.

CHAPTER FIVE

DISCUSSION

The study is based on impact of celebrity endorsement on consumer buying behavior. The study also explored the attributes of the celebrity that influence the purchase intention of consumers and the effect of demographic variables on respondent perception about celebrity endorsement and to describe the main categories of products used (durables and non-durables).

The first objective is to study demographic profile consumers with regards to the categories of products (durables/non-durables) and was tested using a chi-square test. The hypothesis formulated for that objective is:

\[ H_1: \text{There is no significant difference that exists between the categories of products preferred (durables/non-durables) with respect to age*, sex, course, and religion*.} \]

According to the findings, the hypothesis is rejected and can be concluded that there is a significant difference that exists between consumers’ preferred category of products (durables and non-durables) with respect to age and religion except in the case of sex and course. Males and females prefer durable products or products that last for a longer period of time such as phones, shoes and others. Meanwhile, all the courses from the college of business administration also prefer durable products. The results might suggest that marketers and advertisers who endorse durable products can best influence ages 19-22 and all the departments of the college of business administration using a celebrity endorser.

The second objective is to find out which type of celebrity endorsement (traditional famous personalities vs. influencers) most likely persuades a consumer to purchase a product and it was analyzed through tabulation.
The researchers have found out those ages 19 up to 22 have influencers as those celebrities that influence them the most, while ages 17 up to 18 prefer the traditional famous personalities. The results might suggest that adolescent consumers will likely prefer influencers or micro-celebrities as celebrities who influence their buying behavior the most. Additionally, when it comes to sex, male respondents mostly prefer traditional famous personalities, while female respondents mostly prefer the influencers.

This might suggest that with the rise of social media sites and content creation, marketers and advertisers can be guaranteed that hiring influencers to endorse their brand or products can also influence their market just like the traditional famous personalities.

The third objective is to identify which attributes of celebrity influence the buying decision of a consumer. The data was analyzed using a correlation matrix to find out which attributes positively influences the purchase intention of the consumer. Lastly, multiple regression is used to find out whether there is a significant impact of attributes of celebrity on purchase intention. In this objective, two hypotheses were framed.

In case of correlation, the hypothesis formulated is:

**H2:** There is no relationship between attributes of celebrity [expertise of celebrity (EX), trustworthiness (TW), similarity between celebrity and consumer (SM), familiarity among consumers (FM), likeability among consumers (LK), match between the celebrity and the product (MU) and meaning transfer from the celebrity (MT)] and purchase intention.

From the results presented, it can be noted that all of the seven independent variables, i.e. expertise (EX) of celebrity (0.321**), trustworthiness (TW) of celebrity (0.354**), similarity (SM) between celebrity and you (0.376**), familiarity (FM) with celebrity (0.395**), likeability (LK) of celebrity (0.453**), match (MU) between celebrity and product (0.448**) and meaning transfer (MT) from the celebrity (0.424**) are positively correlated with purchase intentions (PI) of consumers.

The level of significance is at 0.01 in all seven independent variables which means that there is a significant correlation between expertise (EX) of celebrity, trustworthiness (TW) of celebrity, similarity (SM) between celebrity and you, familiarity (FM) with celebrity, likeability (LK) of celebrity, match (MU) between celebrity and product and meaning transfer (MT) from the celebrity.

Therefore, the hypothesis is rejected and it can be said that there is a significant correlation between the attributes of celebrity i.e., expertise (EX), trustworthiness (TW), similarity (SM), familiarity (FM), likeability (LK), match (MU), and meaning transfer (MT) with purchase intentions (PI) of consumers.

As far as strength of relationship between dependent and independent variables is concerned, the attributes with the strongest relationship with purchase intention (PI) are the likeability of the celebrity (0.453**), match between the celebrity and the product (0.448**), and the meaning transfer from the celebrity (0.424**). Whereas, the familiarity with the celebrity (0.395**) has a moderate relationship. Lastly, the attributes with the weakest relationship are similarity (0.376**), trustworthiness (0.354**), and the expertise (0.321**) of the celebrity. All of the attributes have a positive relationship with purchase intention (PI), hence if one attribute increases or decreases, the purchase intention of a consumer will also increase or decrease.

The results might indicate that all of those attributes of a celebrity can positively influence the purchase intention of a consumer on which a marketer or an advertiser can take consideration of especially when it comes to the likeability of the celebrity.

In case of multiple regression, the hypothesis formulated is:

**H3:** There is significant impact of attributes of celebrity [expertise of celebrity (EX), trustworthiness(TW), similarity between celebrity and consumer (SM), familiarity among consumers (FM), likeability among consumers (LK), match between the celebrity and the product (MU) and meaning transfer from the celebrity (MT)] on purchase intention.

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From the results presented, the value of beta coefficient is high in case of likeability (LK) i.e. 0.180 which means every 1 unit increase in the value of likeability (LK), the purchase intention will increase by 0.180 units ($\beta = 0.180 < 0.05$) followed by match between the celebrity and the product (MU) ($\beta = 0.174 < 0.05$), similarity (SM) ($\beta = 0.131 < 0.05$), and meaning transfer (MT) ($\beta = 0.129 < 0.05$). In the case of familiarity the value of beta is 0.089 (FM) ($\beta = 0.089 > 0.05$) and expertise amounts to 0.042 (EX) ($\beta = 0.042 > 0.05$). The value of beta coefficient is negative in the case of trustworthiness (TW) i.e., -0.014 which means every 1 unit increase in the value of trustworthiness (TW), the purchase intention will decrease by 0.014 units. ($\beta = -0.014 > 0.05$).

The significant level for all independent variables are less than 0.05 which indicates that similarity (SM), likeability (LK), match between the celebrity and the product (MU), and meaning transfer (MT) are statistically significant and can be used for the prediction of purchase intention except in the case of expertise (EX), trustworthiness (TW), and familiarity (FM) of celebrity whose p-value is more than 0.05.

Therefore, attributes of celebrity, i.e., expertise (EX), trustworthiness (TW), and familiarity (FM) does not have any influence on purchase intention. Overall, attributes such as similarity (SM), likeability (LK), match (MU), and meaning transfer (MT) can impact the purchase intentions of the consumers.

The results might show that attributes such as similarity, likeability, match and meaning transfer should be considered by a marketer or an advertiser because those are the only attributes that can impact the purchase intention of the consumers.

The fourth objective is to examine the perception of consumers towards celebrity endorsing the product. There were seven questions analyzed through tabulation.

1. In case of medium of advertisement: the results reveal that both male (61.18%) and female (54.23%) mostly chose TV advertisement and internets as their preferred medium.
2. How Often Celebrities Seen in advertisement: majority of the respondents often see celebrities in advertisements 2 to 7 times a day.
3. Celebrity or Non-Celebrity Advertisement Attraction: celebrity endorsed advertisements attract people more as compared to non-celebrity advertisements.
4. Presence of Celebrities that Helps Consumers Recall Product: results reveal that respondents largely agree that the presence of celebrities in advertisements help consumers recognize and recall the product more promptly.
5. Products Endorsed by Celebrities Use Them in Real Life: most of the respondents were neutral on whether the celebrities use the products they endorse in their real life.
6. Perceived Celebrity Endorsement: male respondents perceive celebrity endorsements as effective and female respondents perceive it as somewhat effective.
7. Influential Celebrity Endorsements: majority of the respondents consider that celebrity endorsements influence their purchase decision.

This might suggest that celebrities are really that influential when it comes to the purchase decision of a consumer and marketers and advertisers can use celebrity endorsements as one of the most effective ways to increase their sales and create a strong brand image.

The general objective is to examine the overall impact of celebrity endorsement on the consumer buying behavior. Purchase intention and negative publicity were considered to find out whether celebrities really impact the purchase intentions of the consumers. The results show that majority of the respondents were neutral on whether they would buy a product that have been endorsed by celebrities. Although, most of them would also agree that they would purchase a product endorsed by celebrities. With regards to negative publicity, a huge number of respondents agreed that negative publicity about a celebrity would affect their purchase decision.

Overall, celebrity endorsements can impact the buying behavior of the consumers but marketers and advertisers must be careful about the celebrity having a negative publicity for it also affects the purchase decision of the consumers.
CHAPTER SIX

CONCLUSIONS

Celebrity Endorsement has totally changed the way of advertising in the last few years. It has become one of the most important tools of advertising. As a result, this study can help the marketer to better understand the consumer reaction towards celebrity.

The focus of this study was to examine the overall impact of celebrity endorsement on the consumer buying behavior on the students of College of Business Administration at Polytechnic University of the Philippines – Sta. Mesa, A.Y., 2019 – 2020. This study also explored the attributes of the celebrity that influence the purchase intention of consumers and the effect of demographic variables on respondent perception about celebrity endorsement. The researchers have conducted their data collection through the form of survey questionnaires to 340 respondents. Moreover, the researchers used a Chi-Square test, Descriptive statistics, Multiple Correlation and Multiple Regression as the statistical treatments to analyze data.

The first objective tried to study the demographic profile of consumers with regards to the categories of the products and it was concluded that there is a significant difference that exists between what category of products were used with respect to age and religion. Endorsed durable products were considered more highly influential compared to non-durable products.

The second objective tried to find out which type of celebrity endorsement most likely persuades a consumer to purchase a product. It was concluded that influencers are now more influential compared to traditional famous celebrities because of the rise of social media content creation.

The third objective tried to identify which attributes influence the buying decision of the consumer. In the first part, where descriptive statistics was used, showed that the mean value was high in case of expertise among consumers which means that it can highly influence the purchase intention of the consumers. In the second part, correlation matrix was used, and it was founded that all attributes of the celebrity can positively influence the purchase intention of the consumers especially the likeability of the celebrity. In the last part, regression was used and it revealed that similarity, likeability, match and meaning transfer could impact the purchase intention of a consumer.

The fourth objective was to examine the current state of consumer’s perception about celebrity endorsements. Overall, the results revealed that celebrity endorsements are positively influential when it comes to endorsing a product.

The general objective was to find out if celebrity endorsements really impact the consumer buying behavior of the consumer and it was concluded that it really does make an impact on the purchase decision of the consumers.

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