

# The Contribution of Celebrity Endorsement on Consumer Purchasing Behaviour

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## **Abstract**

*The study aimed at investigating the contribution of celebrity endorsement on consumer purchasing behaviour in Tema, Ghana. The purpose of the study is to find out why many advertising agencies employ the services of a celebrity to endorse products for their clients.*

*The target populations were consumers between the ages of 18 to 50 and are residents of Tema.*

*Out of five hundred (500) questionnaires distributed to the population, four hundred and five (405) returned their questionnaire through convenience sampling. The attributes of celebrity were; Expertise, Popularity and Credibility while Perception and Attitude were the variables of Consumer purchasing behaviour. With the aid of SPSS, the following statistics were used: descriptive statistics, correlation matrix Values of Tolerance and Variance inflation Factor (VIF) and multiple regression analysis. The findings confirm*

*that there is a positive significant impact of Celebrity endorsement on consumer purchasing behaviour. The research suggests that It is very simple and easy to select a celebrity but difficult to establish a strong significant relationship between the product and the endorser*

*Key words: Celebrity; perception; Attitude; Credibility; Popularity*

## **INTRODUCTION**

Many advertising agencies in Ghana have sought to the use of celebrities to endorse products of their clients. The study is therefore conducted to find out the main reason behind this myth, as to the impact

celebrity endorsement have on the purchasing decisions of customers.

Consumers are distinctive in themselves; their needs and wants vary and diverse from one another; this means consumers exhibits different consumption patterns and consumption behaviour. Consumers go through the buying decision process differently as it influenced by internal and external forces. Researchers have attempted to understand and explain the dynamics of consumer decision making. In the attempt to understand what goes into their purchasing decision many advertising houses and companies have introduce the use of celebrities in advert their quest to influence consumer buying decision. Numerous factors influence consumer's purchasing behaviour. These can be group into: Internal, and external. The study emphasizes on two of the internal factors; perception and attitudes.

Perception is a process of giving meaning to sensory stimuli; people act and re-act base on perception. Consumer's acquisition, consumption, and disposal of goods and services depend on perception. According to Armound and Zinkhan (2004) perception

starts from selective attention to perceptual stimuli and use of symbols in marketing communication depends on perception. (Armound & Zinkhan 2004)

According to the definition of (Boone & Kurtz, 1999) attitudes are a person's favourable or unfavourable evaluation, emotional feelings, or action towards object or data. Attitude formation takes time through group contact and experiences Attitudes are very important because it affect the evaluation of object/brand or company (Belch & Belch, 2004).

McCracken (1989) defined a celebrity endorser 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, irrespective of the required promotional role. Also, "Celebrity" refers to an 'individual who is known to the public, such as actors, sport figures, entertainers" (Friedman and Friedman1979).According to Devi and Ramanigopal (2010) Celebrity endorsement has both positive and a negative impact on the consumer buying behaviour. Dzisah and Ocloo (2013) indicated that company's select celebrities based on credibility,

expertise and popularity, while consumers' purchase behaviour is influenced by perception, and attitude.

Erdogan (1999) defines celebrity endorsers' expertise as 'the extent to which a communicator is perceived to be a source of valid assertions'. It is important to choose an endorser who uses the product in reflections to professional expertise (Daneshvary and Schwer 2000). Customer's perception of endorser's expertise positively influences source effectiveness (Ohanian, 1990).

A study conducted by Ahmed (2012) on the effect of celebrity endorsement on customers' buying behaviour in Pakistan, the results of the study explained that customers' attitude and perception are influenced by celebrities' expertise in advertisements. The use of a celebrity in advertising bridges the gap between the producer and the consumer. This led to the first hypothesis of the study H1: Celebrity Expertise impacts positively on consumer Attitude and Perception.

Celebrity's popularity has a positive effect on customer's attitude toward ads and brand, customers perceived popularity to be more credible and produce greater influence on evaluation of brand and its purchase intentions (Ogunsiji, 2012). According to Martin (2010) for brand-celebrity collaboration to be successful, the celebrity popularity is crucial. Marketers select popular celebrities depending on product's demand. Life insurance companies, for example, use popular celebrities above 60 years to endorse pension products, while young celebrities endorse soft drinks and juices (Mark, 2002). Pughazhendi and Ravindran (2012) investigated the use of celebrity endorsements on consumer buying behaviour on a sample of 200 students from various colleges in the Coimbatore region. The result affirms a positive relationship between celebrity popularity and purchase behaviour. This led to the second hypothesis of the study H1: Celebrity popularity impacts positively on consumer Attitude and Perception.

Celebrity credibility is defined as "perceived as possessing expertise relevant to the communication topic and can be trusted to

give an objective opinion on the subject” (Goldsmith et al., 2000). Celebrity credibility contains two components which is expertise and trustworthiness (Ohanian, 1991). Daneshvary and Schwer (2000), in their article on “The association endorsement and consumers’ intention to purchase” established a connection between celebrity endorsement/endorser and buying intentions. Kumar (2011) argued that consumers find celebrity endorsements more

attractive and influential as compared to non-celebrity endorsed adverts. According to Gupta (2007) celebrity impacts on product where the image and personality of the celebrity matches the product desired by the target market. Consumers think that celebrity endorsed advertisement are reliable (Anjum,et al 2012) this led to the third hypothesis H3: Celebrity Credibility impact positively on consumer Attitude and Perception

### Research frame work

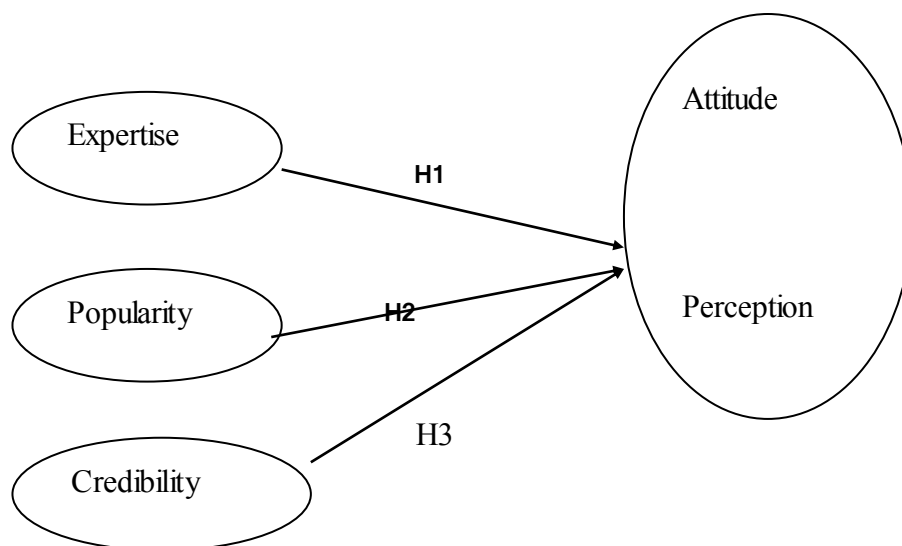


Fig 1 link between celebrity endorsement and consumer purchasing behavior (2015)

## Methodology

Both primary and secondary data were used in the study. Convenience sampling techniques were employed to select consumers in Tema. This is due to the difficulty in determining the specific list of customers. The target population comprised customers between the ages of 18 and 50 years, and residents of Tema. 500 questionnaires were sent out to consumers which 405 questionnaires were returned. Data were collected through the use of a structured questionnaire. Likert scales anchored by strongly disagree (1) and strongly agree (5) were used in the questionnaire.

Table 1 Demographic information

Variables	Frequency	Percentage
<b>Gender</b>		
Female	130	42.2
Male	283	57.8
Total	405	100.0
<b>Age</b>		
18-30	256	63.2
31- 40	136	33.6
41-50	13	3.2
Total	405	100.0

## Results and Discussion

These sections deal with the results of the study and include the descriptive statistics, econometric results for the model, and tests for robustness relevant for the study. A detailed demographic analysis of respondents is presented in Table 1. Personal and face-to-face interviews of respondents at Tema shopping mall. Four hundred completed questionnaires were collected from the respondents. Among the sample data: 57.8% respondents are male. Also, 44.2% are in the 18 – 30 age groups, this represent the modal age. Besides, 48.6% respondents have tertiary education.

**Education**

Secondary school	103	25.4
Vocational/Technical	105	26.0
Tertiary	197	48.6
others	405	100.0
Total		

**Survey results, 2015**

Calculated and analyzed mean and standard deviation of all the construct have been presented in Table 2. The result revealed a mean value for Perceptions 4.654 and Attitude 4.421. These values are greater than

4, which show a strong importance. Similarly, the mean values for Expertise (4.51), Popularity (4.32), Credibility (4.12), indicate a strong importance as a constructs of celebrities.

**Table 2 Descriptive Statistics**

Construct	Min	Max	Mean	Standard D
Perception	1	5	4.654	0.431
Attitude	1	5	4.421	0.235
Expertise	1	5	4.51	0.212
Popularity	1	5	4.32	1.562
Credibility	1	5	4.12	1.483

**Inferential Statistics**

Inferential statistical techniques used in the study. Pearson correlation co-efficient was calculated in Table 3. The result shows that Expertise, Popularity and Credibility have

strong significant impact on Perception with a coefficient values  $r = 0.40$ ,  $r = 0.42$  and  $r = 0.39$ . This confirms that Popularity, Expertise and Credibility has significant impact on consumer purchasing behaviour.

**Table3: Correlation Matrix**

Variable	Perception	
	Pearson correlation	significance 0.05 (2-tailed)
Expertise	0.40	0.001
Popularity	0.42	0.002
Credibility	0.39	0.001

The result of Table 4 reveals that Popularity and Credibility have a positive relationship with Attitude, with a coefficient values  $r=0.423$  and  $r=0.303$  respectively. And confirms that Popularity and Credibility has

significant impact on consumer purchasing behaviour. Whiles Expertise has a negative effect on Attitude with a coefficient values  $r=-0.212$

**Table 4: Correlation Matrix**

Variable	Attitude	
	Pearson correlation	significance 0.05 (2-tailed)
Expertise	0.212	0.734
Popularity	0.423	0.013
Credibility	0.303	0.002

The value for the R-squared in Table 5 is 0.91 which indicates that 91.1% of the variation in the dependent variable is explained by the independent variables of

the model. The 8.9% variation in the dependent variable remains unexplained by the independent variables of the study.

**Table 5: Goodness of Fit (Perception)**

Model	R	R square	Adjusted R- Square
Perception	0.932	0.724	0.421

**Table 6: Pooled Ordinary Least Square Dependent Variable = Perception**

Construct	Coefficients
constant	0.211
Expertise	0.27*
Popularity	0.201***
Credibility	0.223**
Adjusted R-squared	0.401
F-statistics	4.02*

\*, \*\* and \*\*\* shows correlation is significant at the 0.01, 0.05 and 0.09 level.

The value for the F-statistic is 4.02 and is significantly endorses the validity and stability of the model relevant for the study. The other diagnostics suggest that the Expertise, Popularity and Credibility all have significant positive relation with Perception. Multicollinearity (variance inflation factor) was also performed to support the validity of the regression results. In case of VIF, the

result is below 10 and Tolerance near to zero suggests no multicollinearity (Gujrati, 2003).

In Table 7 results of VIF and tolerance factor is reasonably good. The values of variance inflation factor for the variables in the model ranges from 1.201 to 4.873, suggesting the absence of multicollinearity among the variables of the model.

**Table 7: Values of Tolerance and Variance Inflation Factor (VIF) For Perception**

Construct	Tolerance	Variance Inflation Factor
Expertise	0.721	1.325
Popularity	0.810	1.431
Credibility	0.762	1.251

The value for the R-squared in Table 8 indicates that 88.7% of the variations in the dependent variable are explained by the

independent variables. The 11.3%, dependent variable remains unexplained by the independent variables of the study.

**Table 8: Goodness of Fit**

Model	R	R Square	Adjusted R Square
Attitude	0.934	0.887	0.763



In Table 9, the value for the F-statistic is 10.27 and endorses the validity and stability of the model relevant for the study. The other diagnostics suggest that the

Expertise, Popularity and Credibility have significant and positive relation with Attitude.

**Table 9: Pooled Ordinary Least Square dependent Variable =Attitude**

Constructs	Coefficients (Attitude)
constant	0.452
Expertise	0.322
Popularity	0.421**
Credibility	0.221***
Adjusted R-squared	0.821
F-statistics	10.27*

\*, \*\* and \*\*\* shows correlation is significant at the 0.01, 0.05 and 0level.

**Robustness Tests:**

Endogeneity Test

Robustness test was used to test endogeneity. This test is performed to make

the results of the study robust. Where such a relationship exists it raises the possibility of endogeneity in our model. The result is presented in Table 10.

**Table 10: Pooled least square endogeneity test dependent variable: Perception and Attitude.**

Construct	Perception	Attitude
constant	0.021 (0.011)	0.021(0.031)
Expertise	0.100 (0.221)	0.021 (0.202)
Popularity	0.206 (0.13)**	0.221** (0.101)
Celebrity	0.215***(0.823)	0.311***(0.572)
Residua	0.212 (0.181)	0.213 (0.421)
R square	0.76	0.85
Adjusted R squares	0.83	0.84
F statistics	103.5*	109.4*

Notes: The values of the coefficients are in the first row. Below are the values for t-statistics in parenthesis. \*, \*\* and \*\*\* Represents the significance of available at 1, 5 and 10 % significance level.

The relationship between Perception and Attitude and independent variables (Expertise, Popularity duality and Celebrity) was tested and residual value calculated. It was found that there is a strong relationship of residual with Perception and Attitude which indicates that there is endogeneity in both models.

### Discussion

Hypotheses H1, H2, H3, were confirmed. Celebrity endorsement among sampled respondents in Tema has a positive significant effect on consumer purchasing behavior. The relationship between the independent construct and dependent variables supports the result of researchers such as (Rengarajan and Sathya 2014; Kumar 2011; Chennai, 2005 and Martey 2014) that the used of celebrity endorsement attracts attention, create interest and provide a point of product differentiation, and impact on consumer buying decisions. Similarly, celebrity endorsement affects consumers attitude towards a brand and purchase intentions. (Gupta, 2007; Joshi and Ahluwalia 2008)

Also celebrity enhances image of a product and act as major opinion leaders and enhances brand recall. (Sonwalkar, et al 2011; Arora, 2011).The uses of celebrity endorsement create brand awareness and forces consumers to buy. (Katyal, 2007).Reynolds (2000) also quoted that celebrity endorsement makes a brand to acts as touch of glamour. Celebrity endorsement increase customer ability to recall and consume assessment of products and those celebrities has the strength as a spokesperson for the product. (Khatri, 2006)

### Recommendation

The selection of an endorser should not be underestimating at all. The marketer should ensure that there is a connection between the product and the celebrity. The behavior of a celebrity affects endorsed brand. Management must therefore convert celebrities to a brand ambassador to have a little control on their behavior, since their life style matters. Marketer must come to terms that, celebrities' endorsement alone does not guarantee success nor does a great advertising campaign or the best possible product. It is a combination of several

factors and elements such as product, price, place, promotion and to mention but a few that work together to position a product in the minds of consumers

### Conclusion

Celebrity endorsement plays a significant role in consumer behaviour towards a brand. It is very simple and easy to select a celebrity but difficult to establish a strong significant relationship between products and the endorsers.

### Limitations of the study

The sample size was small, from which primary data has been collected. Hence the conclusions drawn are area specific and any generalization will need a cautious approach. Besides the researcher selected only few constructs for the study. It was not possible to collect the opinion of the celebrities who have endorsed brands.

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