

IMPACT OF USING CELEBRITIES IN ADVERTISEMENT ON PURCHASE DECISIONS, “AN EMPIRICAL STUDY ON THE STUDENTS OF THE ISLAMIA UNIVERSITY OF BAHAWALPUR, PUNJAB, PAKISTAN”

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ABSTRACT: *The main purpose of this study is to find out the relationship between celebrity endorsement in advertisements and consumers' buying decisions and to find out the impact of celebrity endorsement on purchase decisions. The dependent variable of this study is "consumers' buying decisions" and the independent variable of this study is "celebrity endorsement". The research is based on primary data. The study has used a convenience sample of 200 respondents from The Islamia University of Bahawalpur, Punjab, Pakistan. A five-point Likert scale was used for measurement. The techniques of Kaiser-Meyer-Olkin, Cronbach's alpha, Correlation and Regression was used for analysis. There is a relationship between celebrity endorsement and consumers' purchase decisions. Using celebrities in advertisement enhances product information among the consumers and at the same time influences consumers to buy products endorsed by their favorite celebrities as compare to the product that have been endorsed by the local models.*

Keywords: Advertisement, Buying Decisions, Celebrity Endorsement,

1. INTRODUCTION

It is well known fact that the Advertisement plays an important role in achieving the organization's goals and strategies, especially in the market. The biggest improvement in the market field is the use of celebrity in commercials as a promotional technique, which enhances the buying decisions of consumers and their brand loyalty [1]. Advertisers believe that using celebrity endorser will foster, in the mind of the consumer, a match or connection between the celebrity endorser and endorse brand [2]. Companies spend Billions of dollars on celebrity endorsement every year. Celebrities play an important role for the advertisement industry. Nowadays most of the companies choose celebrities as an endorser for their advertising campaigns. Use of super stars in advertising campaigns attracts a lot of attention from the general public [1].

A celebrity is a well-known personality who enjoys public recognition by a large share of a certain group of people [3]. Whereas attributes like attractiveness, extraordinary lifestyle or special skills are just examples and specific common characteristics cannot be observed, it can be said that within a corresponding social group celebrities generally differ from the social norm and enjoy a high degree of public awareness [3]. Most of the organizations Consider the celebrities as a reference group that affect the buying decision of consumers positively, from this point of view, most of the organization try to use the celebrities as a promotion tool to affect on the buying decision of customers, in order to maximize the market share of their organizations. Celebrity usage in advertisements is one of the topical strategies of many brands; the purpose of such usage may be for getting attention, for prolonged association, or for the purpose of recall. Celebrity Endorsements is a credible means of spending money. This is because the world where we live is a world of products for which the value a consumer obtains from buying any given variety. This might be, because, People want to wear the "right" clothes, drink the "right"

beverages and use the "right" fragrances. Specifically a consumer that observes messages for two different firm's products, one product's message containing a celebrity endorsed and the other not, believes the celebrity endorsed product will have more purchases and so be of higher value.[4]. Celebrity endorsement is more likely to be practical for those products having a high price-production cost margin and on a large customer base. The celebrity endorsements are more typical for nationally marketed products then for local or niche market products and also for the products such as, running shoes, soft drinks and the like for which the price cost margins are apparently high.

Actors, athletes and singers from all over the world have been most extensively used in advertising. Some authors hold that celebrity featuring advertisements attract greater consumer attention as well as generate higher intention to try out the product promoted, in comparison with those that do not [5, 6]. Other authors add that celebrity endorsement may be directly related to augmenting income from the sales of the advertised product. In contrary to this, not every advertisement which has a 'star personality' in it achieves its goal. The ultimate success of a celebrity endorsement as well as that of an advertisement as a whole depends on a number of variables. Firstly, the use of a most prominent person for an advertising campaign requires large funding, yet even in the event that it is secured, success is far from guaranteed. Different surveys of advertising frequently offer a one-sided perspective and refrain from explaining why celebrity endorsement is effective in some cases but not others [7]. Also [6] discovered that in an advertising environment, when individuals are highly involved with the product or service promoted, it is rational arguments rather than 'star' endorsement that mainly condition their purchase decisions. And vice versa, at a low level of involvement, an effective use of celebrity endorsers proves much more influential than key message arguments.

In his study [8], pointed out that advertising appeal is the theme of an advertisement. To make the audience receive a necessary message, advertisers have to put some driving power into the message. This driving power is appeal. Every advertising appeal represents an attraction, which arouses consumers' desires. What kind of advertising appeal design can attract consumers more easily and effectively? To highlight a commodity image, most of the companies invite famous celebrities to be their product spokespersons. It is easier for consumers to identify with celebrities. On the other hand Expert spokespersons help present product differences more effectively by combining their rich professional knowledge with reasonably persuasive appeals. Choosing the right advertising spokesman is a serious element for successful advertising. Does an advertising spokesperson influence consumers' attitudes or enhance purchase intentions? This is what this paper will explore. Advertising attitudes reflect persuasive psychological effects and act as important indices for measuring advertising effects. Therefore, advertising attitudes create a certain influential power on purchase intentions, which is yet another management issue we want to explore in this paper.

2. The problem statement

Does the celebrity endorsement affect the consumers' buying decisions positively?

3. The purpose of the study

The main purpose of this study is to find out the relationship between celebrity endorsement in advertisements and consumers' buying decisions.

4. Literature Review

Advertisement plays an important role in every way of life. The deviating sections of the society need advertisement for an array of reasons from information sharing to consumer persuasion to decision making. Marketers spend huge amounts of money yearly on celebrity endorsement contracts based on the belief that celebrities are successful spokespeople for their products or brands. Particularly a consumer who observes messages for two different firm's products of which one product's message contains a celebrity endorsed and the other not, believes the celebrity endorsed product will have more purchases and so be of higher value [9]. The buying preferences of consumers are strongly related to the credibility, perceptions of expertise, popularity and attractiveness of a celebrity endorser [10]. Celebrity endorsement increases product information and creates knowledge about product among consumers [9].

4.1. Who is a celebrity?

Celebrities are the popular people among the large number of a specific group of people who have unique characteristics like astonishing lifestyle, attractiveness and they usually differs from prevailed social norms of the specific social group and are the owners of large public awareness [3]. This is obvious from examples of celebrities like actors (Amitabh Bachhan, Sharukh Khan), entertainers (Shekhar Suman, Barkha Dutt) models (Diya Mirza John Abraham, Malaika Arora,) pop Stars (Dailer Mehndi, Mika), Sports athletes (ex. Sania Mirza, Sachin Tendulkar), or politicians (Laloo Prasad Yadav) and like businessmen (ex. Dirubhai Ambani). Celebrity means the person/individual to whom people know very well due to his/her work and achievements not due to

the product which is being endorsed by them for example models, actors, sports people, entertainers and singers [11]. Celebrities can be the part of any media like from sports, movies, politics, television and business [12]. While, now an animal and an animated character like Fred Flintstone can also be a celebrity [13].

4.2. Celebrity Endorser

Celebrity endorser is a person who owns public popularity and uses that popularity by appearing in advertisements on the behalf of consumers. Furthermore, celebrities are used as actor, endorsement, spokesperson and testimonial by the firms. Research has established that celebrity endorsement impacts and helps in changing consumers' feelings in general and might affect their attitude and thinking of advertisement and brands also. This might enhance consumers' purchase intentions / decisions and sales too [14].

Celebrity endorser is the person who is well known by the public due to his/her life achievements and he/she endorsed the product other than that areas of achievements [15]. Similarly [16] defined celebrity endorser as the famous person of the society to whom people know very well and he/she uses his/her recognition for recommending or co-presents products in advertisements.

4.3. Celebrity Endorsement

Celebrity endorsement is accepted as a ubiquitous feature of today's marketing strategies to promote products [12]. It is also observed that one quarter of advertisements had used celebrity endorsers to promote products and brands more effectively and it validates that celebrity endorsement acts as a persuasive communication tool.

Previous researchers have found that the use of celebrity endorsers in advertising is more effective than other types of endorsers, like the typical consumer. Professional expert and the company managers [11]. Using celebrity in advertisements, companies may easily crack into consumer's emblematic association to an aspirational reference groups, because these celebrity endorsers are professed as vibrant, attractive and likable [5,16].

Celebrity endorsement has gained importance and become a very popular tool to promote a product and build the understanding in target market's mind about the endorsed product that is why many people seek to share values and lifestyles of celebrities as models of success [17].

Most of the brands start their life cycle without celebrity endorsement but in reality it doesn't bring a positive progress in product's sales. By endorsing celebrity with a brand or company brings an impact on sales, glamour, sex-appeal, glitz and ambition [18]. In his study [17], refers about consumer attitudes towards the role of celebrity endorsement in television advertising in Jordan & concluded that the Jordanian consumers were normally positive about many aspects of this dynamic issue in advertising strategy.

They also showed their interest in the relationship between celebrities and endorsed products in advertising. Use of celebrity, whether actors, athletes or sports celebrity can lift the profile of a company in many ways. It can also help to increase consumer's awareness with a brand, endorse the effects of particular product or force sales of a venerable product that needs a boost [1]. More importantly, in a crowded environment of media where advertising companies

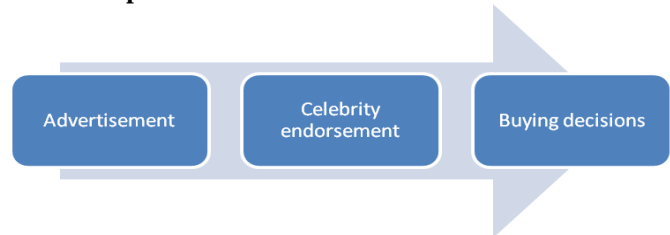
face an escalating challenge of attracting consumer's attention, celebrities are considered as the person said to have the ability to shatter through the media clutter and hold the viewer's attention [19]. It is concluded by [20] that Celebrity Endorsement is apparent only to a degree that the respondent's answer ranges between agree and can't say. This indicates that Celebrity Endorsement impact sales to a little extent and one should not always use celebrities in advertisements to endorse Brands of different products. However, the celebrity endorsement acts as a motivational factor for buying products of different Brands. According to [21], the use of athletes as a celebrity endorser influences the switching behavior of products, complaint behavior, brand loyalty and word of mouth of young adults positively. This helps young adults to make decisions about switching product brands, favor the features of products positively and complaining about it also. The consumers need multiple characteristics of the celebrity endorsed like acceptability and credibility. Moreover, the impact of celebrity endorsement on brands largely depends upon the popularity, belief system, attractiveness, availability, image and factors of regional appeal [18]. Celebrity endorsement helps in brand equity and brand promotion to the products [20]. Credibility of the celebrity endorsed and commercial, both are important and necessary factors for determining the willingness of consumers to buy products. If the celebrity endorsed is well known but not a credible and believable then there will be no effect on the willingness of consumers to buy. On the other hand if the celebrity endorsed is both credible and similar to consumers, it will greatly impact the buying intentions of the consumers [22] According to [23] and [24], celebrity endorsement positively impact the advertising attitudes, advertising recall rates, product attitude, attitude towards spokespersons and finally purchase intentions to buy products of different brands. Factors like profession, amiability, credibility, risk, celebrity product match, celebrity-audience match and physical attractiveness are the most important factors which should be taken into consideration while selecting the celebrity for endorsing brands because these factors helps generating the power to impact the buying intention of consumers positively [25]. With that saying it brings to a question, being celebrity increases credibility? Among other variables, Credibility enhances willingness to purchase, but the celebrity by itself does not. In contrary to this, it does not mean that a celebrity cannot bring credibility to the product and to the commercial. Moreover, If the celebrity is seen as trustworthy, alike, and credible then that effect may be transferred over to the readiness to buy. Therefore, some credible celebrities may persuade, but the celebrity status by itself will not [22].

4.4. Why Endorsement

Celebrity Endorsements act as a credible means of "money burning". This is because in this world of products consumers seek for the value they need from the given variety of products. Social standing could be the reason of it. People are very conscious in choosing the products because they want to drink the "right" beverages, wearing "right" clothes and using "right" fragrances. It is observed that when a consumer watch an advertisement message of two different organization's product from which one product is promoted

by celebrity endorser and the other not then the consumer believes that the product containing the celebrity endorser is more valuable and have more purchases [4].

4.5. Conceptual Framework



5. RESEARCH HYPOTHESES

H1: There is a relationship between celebrity endorsement in advertisements and consumers' buying decisions. The dependent variable of this study is "consumers' buying decisions", because we want to check the affects of using celebrities in advertisement on buying decisions of consumers.

6.2. Independent variable

The independent variable of this study is "celebrity endorsement", because we want to check its impact on the buying decisions of consumers. And we have hypothesized that it affects the buying decisions of consumers positively which is our H2.

6.3. Data Collection

The research is based on primary data. The respondents of this study are the students of "The Islamia University Of Bahawalpur, Punjab, Pakistan". Traditionally, many studies e.g. [1] were conducted to check the impact of using celebrities in advertisement on buying decisions of consumers. Also [9] checked the effects of celebrity based advertisement on the purchase attitude of consumers towards the durable products. But, we are checking its general impact on the consumers buying decisions as [1] have done. We have chosen students as respondents because of our convenience for the data collection.

6.4. Sample Size Determination

In this study, we have used a convenience sample of 200 respondents from The Islamia University of Bahawalpur, Punjab, Pakistan. As our based study of [1] had taken sample of 91 respondents but we took a sample of 200 respondents to make the results more reliable and generalizeable. And we have applied Kaiser-Meyer-Olkin measure of sampling adequacy test to check the adequacy of our sample size. The computed value of this test is .808 which means sample size is very good and is adequate.

6.5. Research Instrument

Data was collected by using structured questionnaire which was adapted¹. A five-point Likert scale was used for measurement. The scale consisted of five levels of agreement, beginning with strongly agree up to strongly disagree (1=strongly agree, 2=agree, 3=not sure, 4=disagree and, 5=strongly disagree).

7. Data analysis

The data was entered, edited and analyzed by using Softwares like SPSS version 16 and Microsoft Excel 2007 by applying the techniques of Cronbach's alpha, Correlation and Regression.

7.1. Cronbach’s Alpha

To check the overall reliability of the instrument used, the technique of Cronbach’s alpha was run. The computed value of Cronbach’s Alpha is 0.825. Which is above the standard value of 0.70 which shows that our instrument is reliable and we can confidently apply different statistical tests and interpret the results boldly.

7.2. Correlation Analysis

The Pearson correlation technique was run to identify the relationship of variables with each other and whether any observed variable has perfect covariance with any other variable which is observed in this study. We applied correlation to both Celebrity endorsement and buying decisions. The summarized result of correlation is shown in table 1 below. The relationship between two variables was found significant at p value of 0.01 level. This relationship shows a positive and moderate to strong relationship among variables. The computed value of correlation is .657 which shows a strong and positive relationship among the two variables as the value is greater than 0.50. so our first hypotheses (H1) is accepted as there is a strong relationship between celebrity endorsement and buying decisions.

Table 1.: Correlations

		P_Int	C_Endo
B_Dec	Pearson Correlation	1	.657**
	Sig. (2-tailed)		.000
	N	200	200
C_Endo	Pearson Correlation	.657**	1
	Sig. (2-tailed)	.000	
	N	200	200

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

7.3. Regression Analysis

To analyze Second hypothesis (H2) proposed on one to one basis, we use linear Regression technique.

H2: Celebrity endorsement affects the consumers’ buying decisions positively

The proposed hypothesis postulates that celebrity endorsement affects the consumer buying decisions positively. Consumers tend to purchase goods that have been endorsed by the celebrities. The value of R square is 0.432, which shows that 43.2% of the variance in the dependent variable (Buying decisions) explained by predictor variable. The value of F test is 150.574 at p<0.000 shows the models’ goodness of fit. The t value is 3.172 which is more than +2, this indicates that there is a positive relationship between variables. Hence, our H2 is accepted and we conclude that Celebrity endorsement affects the consumers’ buying decisions positively.

Table 2: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.657a	.432	.429	.49688

a. Predictors: (Constant), C_Endo

b. Dependent Variable: P_Int

Table 3: ANOVA

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	37.176	1	37.176	150.574	.000a
	Residual	48.885	198	.247		
	Total	86.061	199			

a. Predictors: (Constant), C_Endo

b. Dependent Variable: P_Int

8. Findings of the Study

1. There is a relationship between celebrity endorsement and consumers’ purchase decisions.
2. Celebrity endorsement affects the consumers’ buying decisions positively.
3. Consumers tend to buy those products which have been endorsed by the celebrities.
4. Using celebrities in advertisement enhances product information among the consumers and at the same time influences consumers to buy products endorsed by their favorite celebrities as compare to the product that have been endorsed by the local models.
5. The price and quality of the product becomes less important when the product is endorsed by the celebrity.
6. The study exposed that the convincing endorsement of celebrities motivates consumers to materialize the purchase of endorsed products.

9. CONCLUSION

Advertisement is an important tool for promoting products now days. Using celebrities in advertisements has gained importance in very less time and becomes the strategy for promotion and creating awareness of the brands among consumers. The use of celebrities in advertisement, whether models, actors, actresses, singers, sportsmen, athletes, politicians and social icons can increase the company’s profits in many ways. It creates brand awareness among the consumers and increases the sales of the products that need a boost. Companies which are using celebrity endorsement as a strategy for the promotion and awareness creating tool for their brands have to bear a large amount of advertising cost even though, most of the companies have hired celebrities as a brand ambassador for their products to create association, awareness, loyalty and for influencing the consumers’ purchase decisions which ultimately increases sales and profit of the company.

10. Limitations

1. Due to scarcity of time and cost constraints, the study was limited to The University only.
2. The study has been conducted on the responses of the students of The Islamia University (Bahawalpur, Punjab, Pakistan). Therefore, the results of the study need not hold entirely for the Bahawalpur city or for the Pakistan at large.
3. The study only checked the impact of using celebrity endorsement on buying decisions while other important variables like attributes, credibility, trustworthiness and popularity, of the celebrity was not taken into consideration.
4. The study was limited only to the 200 respondents (students) from the university. More respondents would have made the results more generalizable.

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ⁱ www.my3q.com/research/jubji3435/76067.phtml