

Impact of the celebrity endorsements on consumer buying behaviors

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Abstract

Most of the companies spend huge sums of money to have Celebrities appear in their advertisements and endorse their products with the purpose of influencing on customers buying decisions. This research aims to analyse consumer behavior in relation to celebrity advertising. The primary data was collected from the sample survey that was carried out by using a structured questionnaire for 200 customers in four districts. The study revealed that the influence of consumer behavior in relation to celebrity advertising in Sri Lanka is not at a significant level. The trustworthiness is the most considered attribute of the celebrity.

Introduction

Celebrity Advertising is one of the methods of presenting an advertising message. Swerdlow (1988) defined Celebrity advertising as; "A firm employ a person who is generally recognizable, famous or well known by the public to promote its, product or service." According to the Schiffman L.G. and Kanuk L.L (1995) celebrities are playing four promotional roles such as testimonials, endorsement, actor and spokesperson. However, the cost involved in this strategy must be taken into consideration. Sometimes celebrity advertisers' fees are over \$ 5 million for a single product in America. Even though the use of Celebrity Advertising is very expensive, it has become a common strategy in many countries. The consumer's response to Celebrity Advertising is that they make advertisement believable and enhance message recall. Furthermore, celebrity advertisements in the recognition of brand names create a positive attitude towards the brand and create a distinct personality for the brand.

Celebrity advertising in Sri Lanka became popular after introducing Television Networks in 1982. In the first stages cricketers like Roy Dias, Ranjan Madugalle endorsed the Keels sausages. After that, the film stars such as Malini, Nadeeka, and Swarna represented Lux soap. Now it has become a very common strategy in Advertising. Cricket star Sanath Jayasuriya speaks for Akai, Pepsi, Soya meat, Red Cow and Union Bank. Aravinda de Silva is another popular cricketer who endorses the Keels Sausages and Ritzbury Chocolate. Rosi Senanayaka was speaking for Anchor and Panadol. In addition, Dilhani Senavirathna for Rexona, Chaminda Vass for Mosquito coils and Roshan Mahanama for Singer and Keels. Singer Nalin Perera for Chesto and Nestomault, Atula Adikari for Philips, athletes like Sugath Tilakarathna, Damayanthi Darsha and Sriyani Kulawansa for Luxpray milk powder and many others give testimonials for various brands. However the importance of celebrity advertising has not received as much attention in the academic literature. This study represents the small step towards addressing these

lacks. It investigates the influence of celebrity advertising in relation to consumer behaviour in Sri Lanka.

Research Problem and Objectives

Why do companies spend huge sums of money to have Celebrities appear in their advertisements and endorse their products?. They think celebrities have stopping power. That is they draw attention to advertising messages in a very cluttered media environment. Marketers think a popular admired celebrity will favorably influence consumer's feelings, attitudes and purchase behaviour. They further believe Celebrities can enhance the target audience's perception of the product in terms of image and performance. Panwar (1997) said, "Celebrity Advertising is a mixed blessing for a brand. Advertisers risk their necks when they identify their brands too closely with celebrities" According to him use of celebrities in advertising is actually a gamble. Some marketers are winning from this gamble while some others loose. Shaughnessy (1995) opines that "the use of celebrities tend to produce above average brand awareness but only about half of the celebrities have a positive effect on consumer attitudes towards the product." The literature and some of the foreign examples revealed that every celebrity advertising campaign does not equally work. Some of them are very effective and some not at all. Even though Sri Lanka has been practising celebrity advertising specially with the advent of electronic and print media nobody has conducted a comprehensive study on the effectiveness of the celebrity advertising. Therefore this study focuses on

whether the celebrity can influence the behavior of consumers in Sri Lanka?

The purpose of the study is to investigate the consumer reaction to celebrity advertisement. The objectives are,

1. To find out whether the celebrity can influence the consumer behaviour in Sri Lanka
2. To find out which decision influenced most by the celebrity advertising of consumer behaviour.

3. To find out the most considered attribute of the celebrity when consumers pay their attention in taking decisions
4. To find out the consumers' ability of recognition of the celebrity.
5. To examine the consumers' attitude about the celebrity advertising.
6. To recommend the attributes and qualifications a celebrity should have to comment on goods and services.

Literature Review

Several studies have examined consumers' behavior to celebrities in advertising. Findings show that celebrities make advertisement believable (Kamins, 1989) and enhance the message recall (Friedman and Friedman, 1979) Furthermore, celebrities aid in the recognition of brand names (Petty, Sacioppo and Schmann, 1983) create a positive attitude towards the brand (Kamins, 1989) and create a distinct personality for the endorsed brand (Mccracken, 1989) Ultimately, celebrity advertisements are believed to generate a greater likelihood of customers' choosing the endorsed brand (Heath, Maccrathy and Mothersbaugh, 1994). Thus the use of celebrities in advertising strategy should enhance the marginal value of the advertisement expenditure and create a brand equity by means of the "secondary association" of a celebrity with a brand (Keller, 1993).

Advertisers spend enormous sums of money to have celebrities promote their products, with the expectation that the reading or viewing audience will react positively to the celebrity's association with their product. Researches that are comparing the impact of advertisements with and without celebrity endorsers found that those featuring were rated more positively. This is especially true in case of teenagers (C. Atkin and M. Block 1983) who are more likely to project the celebrity's credibility to the advertising message and to the endorsed product. Misra S. and Beatty E.S. (1990) found that celebrities will be most effective when there is a close match of personalities with product and advertising copy. Forkan J.P.(1980) said that the celebrity endorser was most effective in sustaining

brand name recall and recall of the advertisement in the viewer. A study by Friedman and Friedman (1979) dealing with print advertising found that specific product – endorser combinations were significant. They resulted in a better overall attitude towards the product, greater purchase intent, and more credibility for the endorser. Further they showed that a celebrity endorser was the most effective in achieving brand name recall and recall of the advertisement.

However many marketers are re evaluating the value of the celebrity advertising. They argue that use of celebrities has become too risky and they rarely do much to help businesses. Consumers are often skeptical of endorsements because they know the celebrities are being paid. This problem is particularly pronounced when a celebrity endorses too many products or companies and becomes overexposed. For example popular cricketer Sanath Jayasuriya appeared in ads for Soya Meat. Red cow, Milo, Pepsi cola, Singer Akai and Union Bank. B. Horowitz (1993) suggested that celebrity endorsements are becoming less important in influencing purchase decisions for a broad range of consumers. Swerdlow R.A. (1984) found that the consumers ability to recognize and associate celebrities with their endorsed product was not related to their purchasing of the product.

In Sri Lanka the researchers found only two research findings about celebrity advertising. Senevirathna (1996) conducted a research for his MBA thesis relevant to this topic has found that the use of celebrities in advertising increases the familiarity of the product advertised by the celebrity. But the increase in favourability towards the product depends on the relevance of the celebrity to the product. Other has been by Wanigasekara.(1995) who found that the impact of source credibility on consumer buying for low involvement products is not a factor seriously considered by the consumers. Consumers pay more attention to product attributes and the marketing pressures exerted by the marketers

Conceptual Framework

In conceptualizing the study, the researcher has attempted to build the relationship between the two key variables, i.e. Celebrity (independent Variable) and consumer behavior (dependent variable). It is also necessary to examine the relationship between the two key variables and intervening variable (product category) and

this would enable the researcher to interpret the findings in a more comprehensive manner.

The conceptual model that is developed for the study consisted of three variables and factors influencing them as core components. It was not only necessary to ascertain the nature of the correlation between the two key variables but also to examine the behavior of these correlations with regard to different product categories. In this context, the correlations were examined in relation to the both high and low involvement of goods and high involvement of services. The conceptual model that has been developed on these relationships is given below.

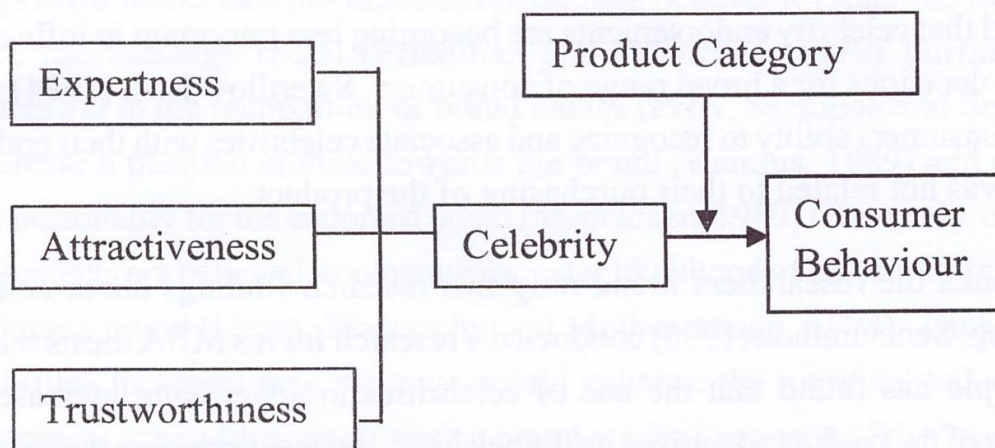


Figure 01: Conceptual Model

Hypotheses

The hypotheses were formulated to build up an effective relationship between celebrity and the consumer behaviour after the consideration of the type of celebrity (expert, attractive, trust) and the goods (high involvement and low involvement) and services. Different buying actions were expected under each of the above situations. In the process of conceptualization, the researchers tried to establish a strong relationship between the two major variables namely Celebrity and the

Consumer behaviour. Another three variables were utilized to support this relationship. According to the variation of these three variables, the researcher ascertained that relationship between the two major variables was also changed. Deriving the conceptual model, four main hypotheses were formulated that were empirically tested in the study.

- H1 The trustworthiness is more influential than expertness and attractiveness for consumer behaviour
- H2 The expert celebrity is more effective, than attractive and the trustworthy celebrity for high involvement goods.
- H3 Attractive celebrity is more effective, than expert and trustworthy celebrity for impulsive low involvement goods.
- H4 Trustworthy celebrity is more effective, than expert and attractive celebrity for high involvement services.

Methodology

Data Collection

Data for the study were collected as part of a larger study through self-administered questionnaires from the residents in Colombo, Gampaha, Kalutara, Galle, and Matara districts. Four respondents from each of the polling divisions of each district were selected for the sample survey. When selecting persons for the sample the researcher followed the stratified random sampling system. A total of 212 questionnaires were directed to the respondents living in different districts and 175 questionnaires were collected. Selected respondents were requested to complete the questionnaire that included questions with likert rating scale to find the responses of consumers to the celebrity advertisements. The survey also asked the respondents to list their recent decisions on certain products, which are used in celebrity advertisements.

In the process of selecting the media, the researcher utilized the survey reports prepared by SLR and LMRB. With the help of these reports the researchers could identify that the marketers spend the highest amount of money for television when compared with other media vehicles. When selecting goods and services for the study the researchers paid their attention to the TV advertisements and utilized the statistics of the report published by the SLRC (Census of Television) which indicates the districts that have the highest number of television sets. In addition to the number of television sets, the researchers paid attention to the zonal distribution of TV households. With the help of SRL Brand scan, the researchers identified that Colombo, Gampaha, Kalutara, Galle, and Matara districts which represent 47% of TV house holds. When distributing questionnaires in each of those districts the researcher utilized the statistical abstract published by the Department of Census and Statistics, Ministry of Finance and Planning. Accordingly, it was identified that 53 polling divisions in all five districts and four respondents were selected from each randomly.

Data Analysis Procedure

Both descriptive and inferential statistical techniques were utilized to analyse the data. Descriptive statistical techniques were used to discover the characteristic behaviour and the pattern of the sample. The major descriptive statistical technique, which was used in this study, is the percentage analysis. Percentage values highlighted the salient features of the collected data, facilitated comparisons between variables and enabled the study relationships more readily. Percentage values were used to identify the contribution of various categories for each variable, to identify the nature of influence of each independent variable of consumer behaviour and for comparisons. In addition, the Mean, Mode, Median and Standard Deviation were used for further extensive analysis of data.

Inferential statistics were applied in this study for testing the hypotheses. The major inferential technique used in this study was Chi-square test.

Findings and Discussion

Analysis of Consumer Behavior

Consumer behaviour towards celebrity advertising and the variable of consumer behaviour were analysed based on the first objective of this study. i.e. Whether the celebrity can influence the consumer behaviour, and the behaviour was measured using the frequency on selecting, purchasing, using, evaluating and disposing. These findings show that 8% of respondents have indicated that celebrity strongly influenced on their behaviour. 44% of respondents indicated that, the celebrity moderately influenced and 48% indicated that they were not influenced by the celebrity. Furthermore the mean value of consumer behaviour lies between 11.64 and 12.84 at the 95% confidence level. This indicates that the influence of celebrity advertising in Sri Lanka is not at a significant level.

Analysis of the Variables of Celebrity

The third objective of the study is to find out the most considered attribute of the celebrity that consumers pay attention to when taking decisions about goods and services. According to the data, 12% of respondents have indicated that they consider expertness of celebrities. 36% and 52% of respondents have indicated that attractiveness and trustworthiness of celebrities are considered in their buying decisions respectively. Therefore, the trustworthiness is the most important and the most considered attribute of the celebrity. Then the relationship between trustworthy celebrity and the consumer behaviour is stronger than the other two relationships. Only 32% of respondents mentioned that they can recognize the expertness of the celebrities, meanwhile 48% of respondents have considered the celebrity as an attractive person. However the data shows that 64% of respondents have recognized the trustworthiness of celebrities. The mean value of trustworthiness lies between 27.84 and 30.39 at 95 percent of confidence level.

Consumers' Attitudes about Celebrity Advertising

According to the findings of the study, out of 175 respondents only 07 have positive attitudes towards providing correct information by celebrities about goods and services whereas 63 respondents were indifferent. Only 04% of respondents believed that the celebrities use the goods and services that they comment on. However, 72% of respondents indicated that they had negative attitudes in this regard. Most of consumers (72%) believed that the celebrities appear in advertisement to earn money. 20% of consumers believed that celebrities appeared in advertising to gain publicity and 8% only believed that celebrities are appearing in advertising because of their hobby. However 64% of respondents like to see their admired celebrities in advertisements but others dislike to see their favorite celebrities in advertisements. As with recall effectiveness is concerned, 92% of respondents can recall the advertisement with the associated celebrities.

Testing Hypotheses

Accordingly from the total of 175 respondents, 52% respondents indicated that they paid their special attention to celebrities trustworthiness when taking decisions about goods and services, Therefore, it is obvious that trustworthiness is a more influential attribute of celebrities than expertness and attractiveness for consumer behavior, Therefore, the hypothesis number one the trustworthiness is more influential than expertness and attractiveness for consumer behavior can be accepted.

The study found that the respondents have indicated 49 times for high involvement goods. From 49 responses 72% responses had been given to expert celebrity and 40% has been given each to attractive and trustworthy celebrity. Accordingly expert celebrity can be considered more effective than other two celebrities for high involvement goods. Therefore the hypotheses number two, the expert celebrity is more effective than attractive and trustworthy celebrity for high involvements can be accepted.

The respondents have indicated 21 times for impulsive low involvement goods. From these 21 responses 100% responses had been given to the attractive celebrity. Therefore attractive celebrity can be considered as more suitable for impulsive low involvement goods. Accordingly hypothesis number three, the attractive celebrity is more effective than expert and trustworthy celebrity for impulsive low involvement goods can be accepted.

The 49 responses were given to the high involvement services. From 49 responses 43 had be given to the trustworthy celebrity and 14% each were given to the expert and attractive celebrity with regard to the high involvement services. Then it is obvious that the trustworthy celebrity is more suitable for high involvement services. Therefore hypothesis number four, the trustworthy celebrity is more effective than expert and attractive celebrity for high involvement services can be accepted.

Conclusion and Recommendation

The research findings have practical implications especially for marketers. Hence the study recommends the following.

1. The trustworthiness is the most important attribute of celebrities which can influence the consumer behavior. Therefore by the use of trustworthy celebrity in advertising higher results can be obtained.
2. The consumers can recall the advertisements because of the attractiveness of the celebrities. If the marketers want to keep the advertisement in the consumer's mind the attractive celebrity is more effective.
3. The influence of consumer behaviour can be changed according to the type of celebrity as well as the product category. Hence the selected celebrity must be relevant to the product.

- The expert celebrity is more effective for high involvement goods. (Durable goods)
 - The attractive celebrity is more effective for impulsive low involvement goods.
 - The trustworthy celebrity is more effective for high involvement services.
4. The celebrities used in advertisements should have the following attributes and qualifications in order to yield effective results.

He or She:

- Should have Presentation skills
- Should be Relevant to the product
- Should have knowledge about the advertised Product
- Should use the Product
- Should have a Good image

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