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IMPACT OF CELEBRITY ENDORSEMENT ON CONSUMERS' BUYING INTENT IN HYDERABAD, PAKISTAN

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Abstract

Nowadays, the use of celebrity endorsement is becoming a popular and winning strategy to enhance the image of corporate and brands by advertisers. With increasing commercial clutter in almost all traditional media, breaking the clutter is very important; and hiring celebrities for advertisements are guaranteed attention and recall. Researchers have also found supportive

evidences for the effectiveness of celebrity endorsers advertising, and they have found a positive impact of such endorsements on consumers' purchase intentions. A number of empirical studies have confirmed the effectiveness and positive effects of celebrity endorsements in advertising, particularly on consumer purchase intentions.

However, there is a lack of consensus whether celebrity endorsement, celebrity reputation, and product pairing significantly influence consumer purchase intentions. Examining the impact of celebrity endorsement on customer purchase intention is the aim of this study. 350 respondents from Hyderabad were surveyed who were exposed to celebrity endorsement. The target group of the study is the young people from 18 to 40 year from Latifabad, Qasimabad and Jamshoro. This study examines the impact of celebrity endorsements on customer purchase intentions using quantitative approaches. A questionnaire was used to gather data, which the SPSS data analysis software package subsequently used to evaluate.

According to the study's findings, consumers believe celebrity endorsements to be more alluring and powerful than those from non-celebrities. In conclusion, the findings support the notion that customer purchase intentions are positively impacted by celebrity endorsement.

Keywords: Celebrity Endorsement, Celebrity endorsers, Consumers, Buying Behavior, Purchase Intention

Introduction

The field of advertising has been through several important evolutionary stages over the past 150 years. In particular, advertising has changed from traditional to contemporary methods, relying, according to (Belch & Belch, 2001.), on a range of techniques that attract prospective customers and involve strong brand exposure, attention, desire, and action AIDA appeals. In attempting to meet these goals, marketers make strong use of particular individuals. One such individual is the celebrity. Once celebrities' capacity to influence consumer behavior was recognized, celebrity endorsement advertising became a vitally important part of marketers' strategies (McCracken, 1989.). According to (Silvera & Austad, 2004), celebrities are those who are well-known to the public and have distinctive qualities like credibility and beauty. Numerous well-known firms have started using celebrity endorsements as a marketing communication strategy after realizing

how powerful they are. Nowadays, celebrity endorsement has become a multi-billion dollar industry (Kambitsis et al., 2002).

Celebrities are used in these strategies because of their ability to significantly influence consumer purchase intentions. Celebrities, who often have charisma and public recognition due to attributes such as credibility and attractiveness, play an important role in attracting attention and influencing consumer choice. Brands surrounded by celebrities on billboards and on television aim to attract consumer attention by hiring celebrity endorsers. Celebrities are often seen as icons, using the glamorous world they inhabit to influence consumers' willingness to buy endorsed products.

Problem Statement

In recent years, a lot of research has been done on celebrity endorsements. Researchers have examined various issues related to celebrity endorsement, including aspects such as negative publicity from celebrities. The main focus of these studies is on the markets of USA, UK, India and Pakistan.

The interest in this research topic is influenced by several different things. It's first influenced by the need to determine if celebrity endorsements in advertisements actually do work. After all, every advertisement is created with two main purposes in mind. These include to increase consumer awareness and to create consumer interest. A celebrity endorsement is one tool that advertisers use relentlessly in order to leverage the image galvanized by a celebrity's identity to make their own brand not only known, but regarded as desirable. It makes advertisements lively, attractive, interesting and also grabs attention as the audience uses celebrities as role models and in turn these celebrities influence their lives. Advertisers try to hire celebrity endorsers who are not only attractive but also credible.

This issue was chosen because, to date, no research has thoroughly examined the influence of celebrity endorsement on customer purchase intention, especially in all of Hyderabad, Sindh. The purpose of this research was also to investigate whether the transfer of meaning and credibility associated with celebrities has a significant effect on consumer purchase intentions.

Research Objectives

The following objectives are the main focus of the investigation on the impact of celebrity endorsement on customers' purchase intentions:

1. Analyze the influence of celebrity endorsements on the buying intention of consumers.
2. Investigate the credibility of celebrity endorsements for the buying intentions of consumers.
3. Explore the extent of product matchups between celebrities and consumer buying intentions.

Research Questions

1. What is the influence of celebrity endorsements on the buying intention of consumers?
2. Does the credibility of celebrity endorsements influence consumers' buying intentions?
3. To what extent does product matchup between celebrities and consumer preferences influence consumers' buying intentions?

Literature Review

Celebrity Endorsement:

A celebrity endorser is defined as “any individual who achieves public recognition and uses that identity on behalf of a consumer product by appearing in advertisements” (McCracken, 1989). Businesses use a variety of strategies to promote their products or brands. Television commercials, newspaper promotions, and social media campaigns are just a few examples. A popular promotional strategy is celebrity endorsement, where a well-known person represents the brand. The use of celebrity endorsements has proven to be highly beneficial for businesses looking to differentiate themselves and gain a competitive advantage (Nabil et al., 2022). Celebrities are globally recognized figures who attract widespread attention and influence products, brands, and purchasing decisions. Celebrity endorsement strategies play an important role in the creation and development of brands, allowing companies to create connections between their brands and celebrities such as celebrities (Kheder, 2018). Celebrity endorsement is widely considered "a pervasive feature of modern marketing" (McCracken, 1989).

These are a few theories to explain the impact of celebrity endorsements.

Source credibility model

Hovland and associates came up with the first idea for the source credibility model. More broadly, the favorable traits of the communicator that influence the recipient's reception of a message are referred to as source credibility (Ohanian, 1990). According to this approach, the knowledge and reliability of a celebrity endorser determine how successful the advertisement's message will be (Dholakia & Sternthal, n.d.; Ohanian, 1991). According to (Kelman, 1961), the dissemination of information from supposedly reliable sources—such as celebrities—allows for the process of influencing ideas, views, attitudes, or actions. When a recipient considers and accepts a communication source's influence in terms of deeply held beliefs and value systems, acceptance takes place (Erdogan, 1999).

Source attractiveness model

(Erdogan, 1999) asserts that people strive to become more appealing and react favorably to supporters who share their traits. The "halo effect" refers to this phenomenon whereby individuals mistakenly link appearance with a variety of desirable attributes, including high intelligence and success in a variety of endeavors (p. 202). The source attraction model, which is based on social psychology research, is regarded as one of the "source valence" model's components (McCracken, 1989). According to McCracken (1989, p. 311), the model consists of four primary elements: likeness (the link between the interviewer and the source), likability (the use of the source), and familiarity (the attraction for the biography). "Message effectiveness depends on the source's familiarity and likability, the source's similarity to the receiver, and the source's attractiveness to the receiver," claims Mccracken (1989, p. 311).

According to several research (Baker & Churchill, 1977; Chaiken, 1979; Debevec & Kernan, 1984), beautiful individuals are more persuasive than less attractive ones, which can result in changes in views and purchasing decisions. impact one's intentions (Friedman et al., 1976; Petty and Cacipo, 1980).

Product Match-up model

The above model suggests the need for a near-perfect match between celebrity attributes and brand attributes. (Erdogan, 1999) asserts that the degree of connection between the celebrity and the endorsed brand determines whether or not this match—also known as fit—is successful. The similarities between a product's properties and the celebrity's image determine if a product and celebrity are congruent (Misra of Recall & Beatty, 1990). The use of celebrities highly congruent with the product in advertisements is often more effective than the use of celebrities who are less congruent (Erdogan, 1999). When the celebrity's qualities are consistent with the brand they endorse, it not only increases the effectiveness of the ad, but also increases the celebrity's credibility and appeal to the target audience.

Considering the survey results and feedback, it is clear that the pairing between the celebrity and the endorsed brand plays an important role in engaging the target audience and increasing the overall effectiveness of the message.

Meaning transfer model

The previously mentioned model suggests that whenever consumers encounter a celebrity-endorsed product, they immediately associate specific meanings with the endorser and then transfer those meanings to the product.

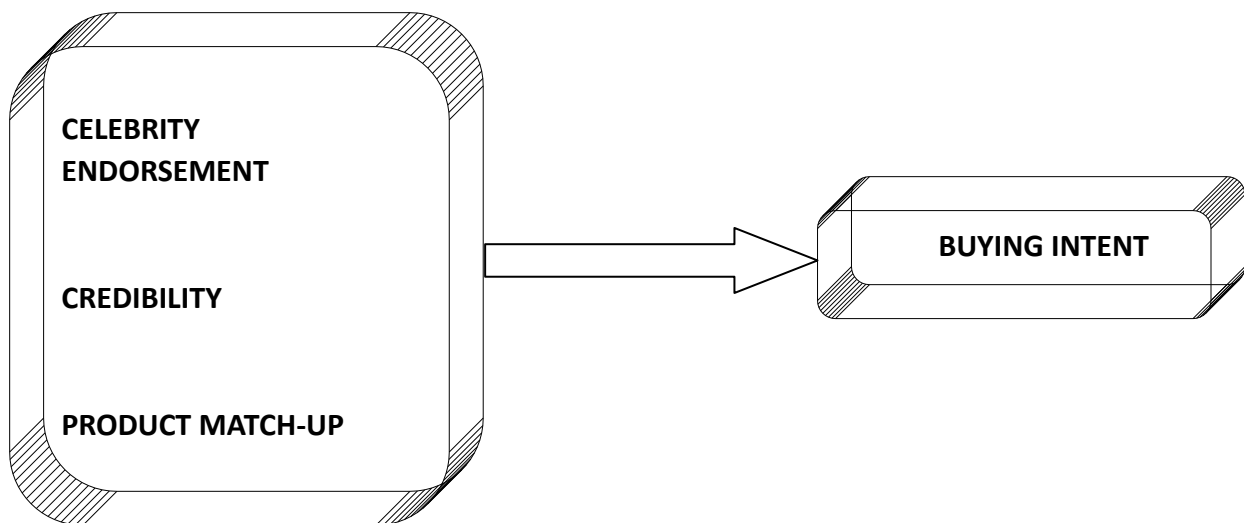
The earlier-discussed source models, in (McCracken, 1989), did not fully capture the elements that go into making the identification process successful. This viewpoint is supported by (Desarbo & Harshman, 1985), who contend that neither the matching hypothesis model nor the source attraction model provide a reliable foundation for choosing celebrity endorsers.

According to the meaning transfer paradigm, a celebrity endorser's efficacy rests on their capacity to bring meaning to the endorsement process (McCracken, 1989). Celebrities embody a variety of unique meanings, including differences in status, class, gender, age, and personality and lifestyle types. This diverse and nuanced meaning is available to marketing systems (McCracken, 1989).

Research hypothesis

1. H1: The presence of celebrity endorsements positively correlates with an increase in the buying intention of consumers.
2. H2: Consumers perceive celebrity endorsements as credible, and higher perceived credibility is positively associated with increased buying intentions.
3. H3: There is a significant relationship between the alignment of celebrities with products and an increase in consumer buying intentions for those products.

Conceptual Framework



Methodology

The framework of the study is deductive, which focuses on testing the hypotheses that have been formulated and drawing conclusions. A deductive approach was used to explore the relationship between celebrity endorsement and consumer purchasing behavior. Choosing a quantitative approach helps to collect large amounts of data to effectively address the research question.

Selecting the research approach comes next once the hypothesis has been formulated. In this investigation, a basic understanding was sought through insights from existing literature and previous research to guide the construction of the questionnaire. Among them, issues such as celebrity endorsement, celebrity reputation, and product similarity will be formulated based on

relevant theories and conceptual frameworks. According to the Pakistan Bureau of Statistics 2023 census, the total population of Hyderabad is 2,432,540. My target group is 18 to 40 year old people from Latifabad, Qasimabad and Jamshoro.

Results

The objective of the survey was to scrutinize various factors affecting buying intent of consumers while celebrity endorsement. The sample of 350 respondents was targeted to carry out the survey. It was found that females were in majority in the total respondents by 53%. Age group having maximum respondents was 26-30, with 40% of the sample. It was revealed that graduates were in large number as 173 respondents were graduates. Business and professionals had the highest frequency of total of 126.

The reliability analysis in Table 1 shows a high Cronbach's alpha value of .908, which indicates strong internal consistency of the 27 items used in the survey. Thus, it can present that the obtained result from the survey is reliable and consistent and can be used to draw definite conclusion about the impact of the celebrity endorsement on consumers buying intent in Hyderabad Sindh Pakistan.

Table No.1 Scale reliability Statistics

Reliability Statistics	
Cronbach's Alpha	N of Items
.908	27

The analysis of variance table shows the regression analysis of celebrity endorsement in predicting consumers' buying intent in Hyderabad, Pakistan. The table No.2 presents the sum of squares of the regression, which equals 599.562, the amount that the independent factors account for in explaining the variance in the dependent variable (buying intent) (PMU, CE, and CC). The regression had 3 degrees of freedom that is, there were 3 independent variables in the model.

Furthermore, the F-statistic also known as the overall significance of the regression model is significant at a level of 0.000. The F-statistic for this model is 36.220 which indicates independent variables (PMU, CE, CC) have statistically significant impact on the dependent

variable (Buying Intent). Thus the results of the analysis of variance indicate that there is significant relationship between the celebrity endorsement, celebrity credibility, product match up and consumers’ buying intent in Hyderabad, Pakistan.

Table No.2 Analysis of Variance Statistics

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	599.562	3	199.854	36.220	.000 ^b
	Residual	1909.127	346	5.518		
	Total	2508.689	349			
a. Dependent Variable: BI						
b. Predictors: (Constant), PMU, CE, CC						

The influence of product match, celebrity credibility, and endorsement on customers' purchase intent in Hyderabad, Pakistan, is demonstrated by the findings of the coefficient statistics in Table 3. The dependent variable's change for each unit change in the independent variable is represented by the unstandardized coefficients (B) in the table, while the dependent variable's change for each standard deviation change in the independent variable is represented by the standardized coefficients (Beta). When all other factors are maintained constant, the projected intercept of the regression line, or the expected purchase intent, is 17.822, the constant coefficient. The standard error of .721 suggests that there is not much error in this estimate. The coefficient for celebrity endorsement (CE) is .186, meaning that there is a .186 unit increase in consumers' purchase intent for every unit rise in celebrity endorsement. The coefficient's t-value of 3.177 and p-value of .002 demonstrate that it is statistically significant at the .05 level. This indicates that Hyderabad, Pakistan, customers' propensity to buy is significantly positively impacted by celebrity endorsement.

Table No.3 Coefficients Statistics

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	17.822	.721		24.721	.000
	CE	.186	.059	.452	3.177	.002
	CC	.158	.057	.471	2.787	.006
	PMU	.236	.052	.501	4.553	.000

a. Dependent Variable: BI

The coefficient for celebrity credibility (CC) is .158. This means that for every one unit in celebrity credibility that consumers increase, buying intent increases .158 units, so this is also statistically significant at the .05 level, with a t-value of 2.787 ($p = .006$). This indicated that celebrity credibility also had a significant positive impact on buying intent of consumers. The coefficient for product match up (PMU) was .236. This tells us that for every one unit of product match up consumer have, their buying intent increases by .236 units, so this is the largest of the three independent variables (as noted before) and this is also statistically significant at the .05 level ($t = 4.553, p = .000$), which means this predictor is the strongest of all with the consumers buying intent in Hyderabad, Pakistan.

Overall, the results show that all three independent variables, namely celebrity endorsement, celebrity credibility, and product match up, have a significant positive impact on consumers' buying intent in Hyderabad, Pakistan, with product match up being the strongest predictor. These findings support the idea that celebrity endorsement can be an effective marketing strategy for enhancing consumer buying intent, particularly when paired with high celebrity credibility and product match up.

A regression model was computed to ascertain the relationship between celebrity endorsement, celebrity credibility, product match-up and purchase Intent of the consumers in Hyderabad, Pakistan. The results in Table 4, show that the overall model was significant ($F(3,26) = 3.620, p = .027, \text{Adj. R Sq,} = .239$). The R-squared value of .239 indicates that 23.9% of the variance in consumers' buying intent can be explained by the variables included in the model (celebrity

credibility, celebrity endorsement, product match_up). The independent variable that had the strongest relationship with consumers’ buying intent was celebrity credibility (CC). The correlation between celebrity credibility and consumers’ buying intent was (R =.489). This indicated that there was a moderate positive relationship between celebrity credibility and consumer’s buying intent. This finding supports previous research which had revealed that a celebrity who is perceived to be credible can positively influence consumer behaviour.

Table No.4 Summary of the Regression Model

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.489 ^a	.239	.232	2.34898
a. Predictors: (Constant), PMU, CE, CC				

Overall the regression model provided support for the hypothesis that celebrity endorsement, credibility, and product match-up had a significant impact on consumers’ buying intent in Hyderabad, Pakistan. Companies should select celebrity endorsers that are credible and have a strong fit with the product being endorsed in order to have a positive impact on consumer’s purchasing decisions.

Conclusion

The purpose of this study was to examine the impact of celebrity endorsement on consumers’ buying intent in Hyderabad, Pakistan. The findings of the research after data analysis and interpretation support that celebrity endorsement has significant impact on consumers buying intent in Hyderabad. The result indicated a positive relationship between celebrity endorsement and brand perception, brand loyalty and purchase decision of consumers in Hyderabad. Therefore, it can be concluded that investing and using celebrity endorsement in marketing can be an effective marketing strategy for businesses in this city. The research further reveal that the perceived credibility and image of the celebrity and the match up between the celebrity and the brands are the main reason to predict the effectiveness of celebrity endorsement in Hyderabad and for the businesses to choose celebrity endorsement as an efficient marketing strategy for consumers buying intent in Hyderabad.

The businesses in Hyderabad should choose the celebrity for their brands with careful consideration to make the greatest impact on consumers buying intent. Therefore, this research confirm the importance of the celebrity endorsement in Pakistani's market and specially in Hyderabad. Eventually, this study provides an insight to the business, which plan to use the celebrity endorsement in their marketing, and need to be aware of its own kind of consumer's behavior to better understand the effectiveness of celebrity endorsement, in order to increase their sale. It is also examine these aforementioned factors through further research study with collection of more data leading to a better understanding of the dynamics of celebrity endorsement, in the context of Pakistan.

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