



Analyzing the Affect of Celebrity Endorsement through Television

Advertisement on Consumer Buying Behavior;

Evidence from Telecom Customers Living In Karachi

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Abstract

Advertisements are always been a influential source which is used by celebrities in order to affect the consumer buying behavior appropriately, but now a day's consumers are surrounded by those advertisements which contains lot of clutter and because of this consumers tends to ignore advertisements, specially advertisements from broadcast media are suffered a lot from this habit of customers, that's why advertisers now a day's try to use mix of advertising strategies in order to gain customers interest, and among all of these strategies used by the advertisers in the television through broadcast media the most important strategy is use of use of celebrities in their advertisements, but as there are several attributes which are associated with the celebrity endorsement which are creating impact on consumer buying behavior this is difficult for the researchers to identify the effect of each and every attribute which is associated with the celebrity endorsement and can create impact on consumer buying behavior, that's why there is need of descriptive research which can identify the affect of different attributes related with the celebrity on consumer buying behavior and in order to check affect of these attributes of celebrity on consumer buying behavior in the minimal amount of time researcher has selected the telecom industry of Pakistan in order to analyze the effect of use of celebrities in the television on consumer buying behavior and for the compilation of this research we have taken sample of 338 respondents out of which 210 are male and 128 are females and for the analysis of data we have used regression and correlation and after implementing statistical tools we analyzed all the attributes of celebrity endorsement which we have checked in our research have an impact on consumer buying behavior on the telecom customers but the attributes which have most significant impact on the consumer buying behavior are attractiveness and trustworthiness of the celebrity. Telecom companies must use those celebrities in their advertisement that posses these attributes as compared to the other.

Key words: *Celebrity Advertisement, Celebrity Endorsement, Consumer buying behavior*

JEL classification: **M19**

Introduction

In the contemporary environment it is very difficult for the marketers to differentiate their advertisements from others as now-a-days most of the companies are making their advertisement attractive, modern and colorful and most of the customers does not pay desired level of attention to the advertisements and also to its attributes and components as they believe all the advertisement from competing firms are almost similar but there is one element which has not been ignored by the consumers and it is Celebrity endorsement in advertisements, and we can state that use of celebrities in the advertisements is highly beneficial for the advertisers. Celebrities are those who have high level of attractiveness special skills, knowledge, life styles and due to these they are different from ordinary peoples and they are also highly recognized by the people. Forms of celebrities which are used most commonly by the advertisers are models, actors and sportsmen etc. Company use celebrities in their advertising campaigns after matching the image of the celebrity with their product's characteristics and features, in order to influence the consumer buying behavior and to increase the purchase of their brands instead of other competing brands.

The matching of the celebrity with the brand might looks simple but development of those advertisements which have the desired match of brand attributes with the characteristics of the celebrity and then achieving success in the form of the achievement of desired results of the advertising campaigns requires detailed understandings of the objectives which company has made for the brand, choice of the appropriate celebrity for the brand and development of the appropriate basis for measuring the success of the brand.

The attribute which has the most importance for the companies is the trustworthiness of the celebrity, that customers and viewers of the of advertisements became able to believe that celebrity has the image which make the celebrity to be ranked better than the normal person, the attribute which comes after the trustworthiness of the celebrity is likeability that the person

is admired and treated as icon by the large number of audience. As use of celebrity in the advertisements is one of the most important tool for the advertisers and it must also have some obvious advantages for the advertisers too such as the use of celebrity endorsement in the advertisement is always helpful in gaining attention of the customers irrespect of the impact of high amount of clutter moreover the use of celebrity in the advertisement also creates positive image on the customers mind about the company as customers link the image of the celebrities and their goodwill with the company and its brands and thus tends to believe that the company and its offerings are better than the others. (Zafar and Rafique, 2012)

The negative impact of celebrity endorsement has also been examined by the researchers in the year 2008 and the experiment indicated that if customers have any negative information regarding the celebrity then they might link this negative information with the promotion campaign of the brand. (Erik Hunter and Davidson, 2008)

Purpose of the Research

Purpose of conducting of this research is to analyze the impact of various variables associated with the celebrity endorsement in the television advertisement on the consumer buying behavior related with telecom services.

Significance of the Research

This research will not only help the researchers and KASBIT in gaining reputation but also help other researchers in understanding the role of celebrity endorsement in the television advertisement(s), not only this research will also help readers identify the impact of each and every attribute associated with the celebrity endorsement on the likelihood of the customers, furthermore this research is also beneficial for increasing the library facilities and also help students in gaining current and detailed knowledge about the celebrity usage on the preference of the telecom customers.

Limitations of the Research

Limitations in the research are those factors which creates boundaries of the research and force researcher to complete research by limiting the work within these boundaries. Some of the boundaries of this research are as under:

- Compilation of research with the entire busy schedule and under pathetic scenario of Karachi city.
- Research is only conducted in Karachi city and the area and the findings of research cannot be implemented on the entire population of Pakistan.
- The sample size of the research is only (338) respondents and the result concluded from this sample size cannot be generalized on the masses i.e. whole population of Karachi.

Delimitations of the Research

The Delimitations of the research are as under:

- We have not selected any other city of Pakistan for this research as Karachi is the biggest city having those residents who are so passionate about the use of telecom services.
- We have only use those areas of Karachi city in which can have those respondents which are high literacy rate as compared to the other location in order to have appropriate answers of our questions.
- We use convenience sampling for compilation of this research instead of Systematic

Random sampling or Cluster sampling as this research need to be completed in the given amount of time and if we choose these type of sampling then the working will become unmanageable because in these type of sampling (i.e. Systematic Random sampling or Cluster sampling) we could not select any respondent and lapse of time in selecting the respondents can create huge problems in collecting and compilation of data.

Statement of Problem

It has been observed that celebrities are used in advertising in order to create the better image of the brand on consumer minds and under most of the times consumers are influenced by those advertisements in which the products are introduced and promoted by the celebrities especially in Telecom sector of Pakistan use of celebrity generates a positive impact of customers towards the advertised brand.

But it has been also noticed that different telecom companies in Pakistan are preferring not only celebrities having different profession but also have different personality and nature as compared to each other therefore it has been concluded by the researchers that there are several factors associated with the celebrity endorsement in the television advertisements which does not creating any impact on the minds of the viewers of advertisements and there are also some variables which are creating the enormous impact on the minds of the viewers of advertisements that why there is a need of systematic research in order to differentiate between those variables which are critical for the use of celebrities in the television as compared to those variables which are not critical in this regard.

Problem Definition

“What are those variables which are critical for celebrity endorsement in television advertisements of Telecom Companies?”

Research Objectives

- To identify the effect of reference group of celebrity used in the television advertisements of telecom companies on consumer buying Behavior.
- To identify the effect of trustworthiness of celebrity used in the television advertisements of telecom companies on consumer buying Behavior.
- To see the effect of expertise of celebrity used in the television advertisements of telecom companies on consumer buying Behavior.

- To see the effect of attractiveness of celebrity used in the television advertisements of telecom companies on consumer buying Behavior.
- To see the effect of product match with the celebrity used in the television advertisements of telecom companies on consumer buying Behavior

Research Model:

The comprehensive research model indicating Independent variables, Intervening Variables and Dependent Variables is as under:

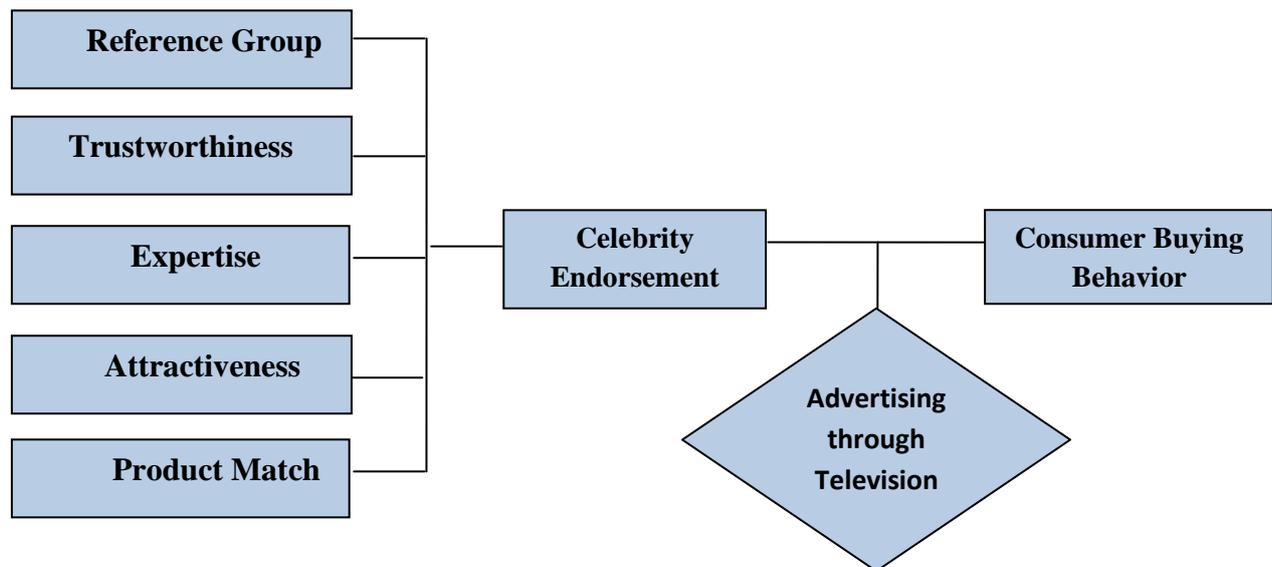


Figure 1: Research Model

This area of research includes the introduction to the topic which explains background of celebrity endorsement on the consumer buying behavior, and also underlines the variable inventory and the process through which we will use the research inventory in our research, furthermore this chapter also defines the boundaries of the research and also entails those elements which researcher left themselves in order to complete in a feasible manner, so in short this chapter is highly beneficial for the readers in order to have the detailed view and understanding of the working which we are going to present in upcoming chapters of this research.

Literature Review

Literature reviews regarding all the variables related with our area of interest is given below:

Consumer Behavior

Consumer behavior can be illustrated as the analysis of a procedure through which consumers in a form of individual or groups try to identify their requirements, select the most appropriate product, service, idea or experience in order to make them satisfy. (Soloman, 2006) and if marketers became able to analyze the behavior of their target market effectively then the probability of achieving more sales is increased significantly. (Priscilla, 2012)

Effect of reference group of celebrity on consumer buying behavior

Reference group can be defined the individual or group of individual which can influence the thinking and purchase intent of the customers. (Bearden and Eztel, 1982) Reference group is one of the most prominent factor which is considered as the important tool by the marketers in order to influence the pre purchase behavior, as consumers tends to compare themselves with other human beings and groups and treat them as the source of inspiration, these individuals and groups might be from business field in a form of successful businessmen, might be from sports field in the form of athlete or famous sportsmen or from fashion industry in the form of celebrities, and consumer treat them as their aspirational group without any physical interaction with these individuals or groups. (Soloman, 2006)

Use of celebrities in television advertisements is treated as reference group by the consumers as most of the consumers admire them and want to be associated with their favorite celebrities and because of this association consumers behave in the way similar to their favorite celebrities

That's why we can state that use of celebrities in the television advertisements is an effective tool and most of the times became able to influence consumers feeling and buying behavior. In other words, celebrity endorsements served as a role model and were able to

trigger consumers feeling; as a result celebrity endorsement played an important role in influencing consumers' purchase intention and buying behavior. (Priscilla, 2012)

Effect of credibility of celebrity on consumer buying behavior

After studying the research work on the effect of celebrity endorsement on consumer buying behavior we became able to define the credibility of the celebrity as the belief of customers on the expertise of the celebrity and extent to which celebrity is found to be trustworthy by that customer. (Strenthal and Dholakia et al., 1978)

a) Expertise of the Celebrity Expertise of the celebrity can be defined as level of experience, knowledge and skills possessed by the celebrity (Ahmed, Mir and Farooq, 2012) and by using those celebrities having high level of knowledge, skills and experience Consumer Buying Behavior advertisers became able to increase the rate of recall of their brands and to increase the favorable response of the customers towards the brands. (Erdogan, 1999)

b) Trustworthiness of the celebrity Trustworthiness of the celebrity can be defined as the level to which customer can believe on the information provided by the celebrity. (Shipman, 2000)

Companies tries to use those celebrities which are ranked on higher side by the customers for the above given properties, thus we can state if the extent of credibility the celebrity is higher than there is a high probability of the celebrity to be selected for the Consumer Buying Behavior advertising campaigns by the advertisers. (Shipman, 2000 and Ahmed, Mir and Farooq, 2012)

Effect of Attractiveness of celebrity on consumer buying behavior:

Most of the times it has been examined that attractiveness of the celebrities imposes favorable response on the customers, (Erdogen, 1999) and this is one of the prime reason why advertiser tends to use attractive celebrities in advertisements. (Baker and Churchill, Jr., 1977)

attractiveness of the celebrity does not only means physical attractiveness of the celebrity but it also includes the life style of the celebrity and also dimensions related with the personality of the celebrity, according to the research work conducted in the year 1968 there are three factors associated with the personality of the celebrity which contributes significantly towards the acceptance of the message in a proper and effective manner and these characteristics are a) familiarity which indicates the level of knowledge of customer about the celebrity b) similarity can be defined to the extent to which customer find match between the celebrity and the itself and c) liking is the extent to which customer is impressed by the physical appearance of celebrity used in the advertisement (McGuire, 1968)

This chapter is highly beneficial for readers in gaining knowledge about the importance as well as about the use of these variables by the researchers, furthermore this chapter will also helps the readers in grasping the link of the variable inventory of our research with the topic and also with the questionnaire and statistical testing we have used In the upcoming chapters of this research.

Research Methodology

The purpose of this research was “**Descriptive**” in nature, as we have found the relevant variables related with our research objectives through every medium data collection of revealing The type of investigation was “**Causal**” as we have linked only those independent variables which are clear from prior research work with the dependent variable, The type of experiment was “**Field Experiment**” as we collected the data by visiting different locations of Karachi City where our respondents came there selves The researcher interference in this research was “**Moderate in Nature**” as we have asked all the respondents to fill the questionnaire, The Time Horizon for this research was “**Cross sectional**” as we haven’t collected the data in intervals of time, data was collected just once and then analyzed through statistical tools embedded in SPSS software, the method used for the collection of Data was

“Closed Ended Questionnaire” in order to collect and evaluate the responses of our respondents effectively and efficiently.

For collection of Data we use Nominal scale questions as well as category scale questions in order to collect prompt responses from our respondents and in order to make our research more emphatic and close to the Pakistan’s scenario. After collection the data we use Pilot test in order to check the reliability of the collected data and when we found our data reliable through using 16th version of software packs for social sciences (SPSS) we implemented Regression and Correlation tests on collected responses in order to evaluate the impact of each independent variable on consumer buying behavior (The dependent Variable).

The **“Population”** for this research was all the residents of Pakistan using Telecom services, The **“Observed Population”** was all the residents of Karachi city using Telecom services, The **“Frame of Sampling”** was all the residents of Karachi Central using Telecom services, the type of Sampling **“Non Probability Sampling”** and the Method of sampling we have used in this research was **“Convenience Sampling”** and sample size for the compilation of our research was Three Hundred and Thirty Eight (338).

This chapter is highly beneficial for the readers in order to gain detailed knowledge about the Procedure and Pattern through which we have carried our research work, moreover this chapter will also help readers in gaining knowledge about the method of data collection and analysis techniques that we have used to compile this research within allowed period of time.

Data Analysis and Interpretation

Sampling

We have used questionnaire as our data collection technique for our research. Interval scale is used for formulating the questions we have used five likert scales starting with strongly disagree to strongly agree in our questionnaire.

Demographics Analysis

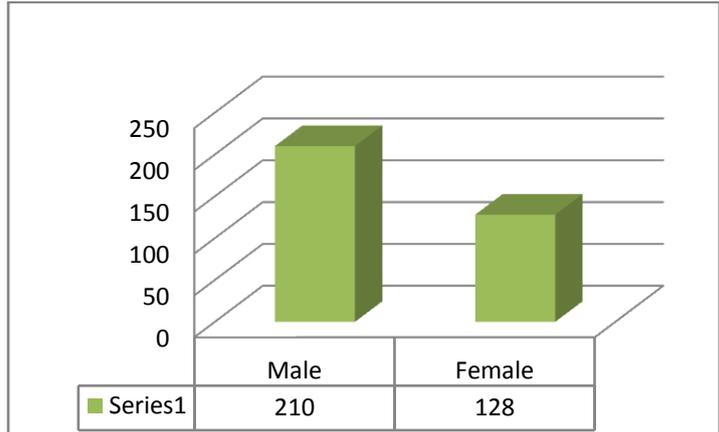


Figure 2: Respondents demographics

Nominal scale is being used to check the total number of male and female.

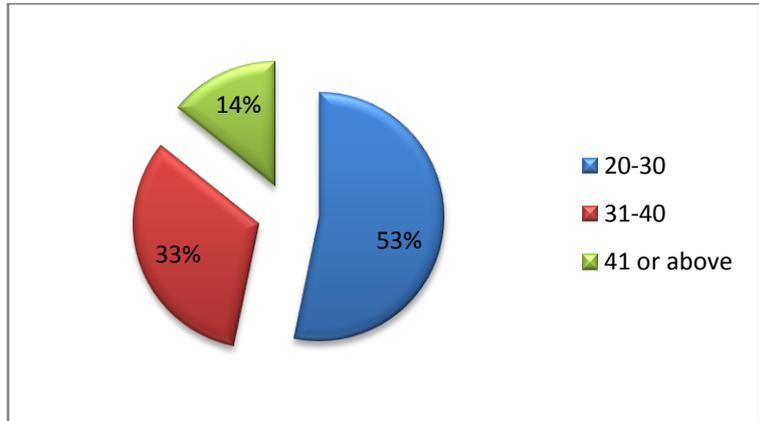


Figure 3: Age group of respondents

Nominal scale is being used to check the age of respondents.

Data Collection

We issued 400 questionnaires and we got back 338 questionnaires. The response rate is almost 84.5%

Table1: Descriptive Statistics		
Variables	Mean	Standard Deviation
Consumer Buying Behavior	4.0280	0.83395
Reference Group of the celebrity in television advertisement	3.0000	0.99297
Expertise of the celebrity in television advertisement	3.0699	0.98339
Trustworthiness of the celebrity in television advertisement	3.9441	0.79815
Attractiveness of the celebrity in television advertisement	3.8788	0.85884

Table 2: Model Summary.		
R	R Square	Adjusted R Square
0.498	0.247	0.25

The above table shows the summary of multiple correlation coefficient (r), by the help of all the predictors simultaneously; i.e. 0.498 and $r^2 = 0.247$. The adjusted r^2 is 0.250 which shows that there is 25% of variation in consumer buying behavior. It means that consumer buying behavior can be predicted from reference group of the celebrity (i.e. reference group of the celebrity), expertise of the celebrity (i.e. expertise), trustworthiness of the celebrity (i.e. trustworthiness) & attractiveness of the celebrity (i.e. attractiveness).

Table 3: ANOVA					
	Sum of Squares	df	Mean Square	F	Sig.
Regression	76.570	4.000	19.143	35.978	0.000

The ANOVA result shows that the value of F-test is 35.978 at significance level 0.000, so it indicated that the model is best fit for research of consumer buying behavior and also helpful for future research.

Table 4: Coefficients.		
Variable	Beta	t
Consumer Buying Behavior in television advertisement		8.233
Reference Group of the celebrity in television advertisement	-0.001	-0.031
Expertise of the celebrity in television advertisement	-0.011	-0.201
Trustworthiness of the celebrity in television advertisement	0.138	3.042
Attractiveness of the celebrity in television advertisement	0.444	9.894

The above table shows that the efficiency between independent and dependent variable. The t-value for first independent variable (i.e. reference group of the celebrity) is -0.031, which shows that it is less efficient. And the t-value of expertise is -0.201, which shows that it is also less efficient variable. So it indicates that if both independent variables (reference group of the celebrity & expertise) is increased then there is no impact on consumer buying behavior.

Now the t-value for trustworthiness of the celebrity is 3.042 which shows that it is more efficient variable. Also the t-value for attractiveness of the celebrity is 9.894 which show that it is most efficient variable. So, if these two independent variables (trustworthiness & attractiveness of the celebrity) will increase then the dependent variable i.e. consumer buying behavior will also increase.

Table 5: Correlation.

Variables	Consumer Buying behavior	Reference Group	Expertise	Trustworthiness	Attractiveness
Consumer Buying behavior	1.0000	0.0480	0.0890	0.2900	0.4910
Reference Group	0.0460	1.0000	0.5430	0.1360	0.0820
Expertise	0.0920	0.5430	1.0000	0.2310	0.1540
Trustworthiness	0.3100	0.1360	0.2310	1.0000	0.3480
Attractiveness	0.5210	0.0820	0.1540	0.3480	1.0000

The correlation result shows the interdependency of variables.

Table 5 shows that one time change in reference group of the celebrity brings 0.046 changes in consumer buying behavior, as a result we analyze that there is a positive relationship between reference group of the celebrity & consumer buying behavior.

Table 5 shows that one time change in expertise brings 0.092 changes in consumer buying behavior, as a result we analyze that there is a positive relationship between expertise & consumer buying behavior.

Table 5 shows that one time change in trustworthiness of the celebrity brings 0.310 changes in consumer buying behavior, as a result we analyze that there is a positive relationship between trustworthiness of the celebrity & consumer buying behavior.

Table 5 shows that one time change in attractiveness of the celebrity brings 0.521 changes in consumer buying behavior, as a result we analyze that there is a positive relationship between attractiveness of the celebrity & consumer buying behavior.

Conclusion

From the above statistical testing it has been concluded that consumer buying behavior is the crucial element which must be analyzed by the telecom companies in order to market their offerings properly, moreover all the variables which we have checked related with the celebrity endorsement have a positive impact on consumer buying behavior but especially important factors associated with the celebrity endorsement are level of attractiveness of the celebrity and the level of trust which consumer have on the celebrity.

Recommendation

It has been recommended by the researcher that telecom companies must focus on all the elements related with the celebrity endorsement in their television advertisement but the variable on which they must emphasize more as compared to the other variables is the level of attraction their celebrities and for fulfilling this objective company must select those most popular in the target market and this can be evaluated effectively by collecting data through the target market. Furthermore telecom companies must also focus towards the use of those celebrities on which customers have high level of trust, because of their efforts in the development of Pakistan or our nation like Abdul Sattar Edhi. This can be done more effectively by developing multiple series of television advertisements in such a manner that series of advertisement in which attractive models and other celebrates plays an important role focuses mainly towards the glamour and increase of market share and the television advertisements which have celebrities like Abdul Stattar Edhi must focus towards the corporate social responsibilities and development of Pakistan. Celebrity endorsement also includes other factors as well such as match of brand and celebrity's personality, and if any future research includes all these points in combination with variables which we have discussed here then the researcher will became able to evaluate the effect of celebrity endorsement in television advertisements more properly on consumer buying behavior.

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