The Effect of Celebrity Endorsement on Consumer Purchase Intention: The Mediating Role of Brand Loyalty

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Abstract- Celebrity endorsement is widely used tool for marketing communication strategy. Taking into consideration the increasing role of celebrity endorsement our study examines three dimensions of celebrity endorsement, including trustworthiness, expertise and attractiveness, with mediating role of brand loyalty as predictors of consumer purchase intention. For this, we explored relationships among these variables to test a conceptual model which is developed using existing knowledge available in academic research on this topic. Findings from a survey of 351 respondents advocate that celebrity credibility is a very strong key to increasing purchase intentions of cellular brand. The study has important implications for the expansion of current literature, theory development and business practices. Limitations of the study are also outlined, and directions for future research are considered too.

Index Terms- Marketing communication, celebrity endorsement, brand loyalty, cell phone brands, purchase intentions

I. INTRODUCTION

Celebrity endorsement is one of the most frequently used persuasive communications in the marketing world (Lim, Chock, & Golan, 2020). It is used as a persuasive communication tool by most of its sponsors (marketers as well as, corporate, societal, spiritual organizations, governments and government agencies, voluntary organizations, individuals etc.) mainly to influence or persuade their target audiences to do the bidding of the sponsors. Target audience in this context, refers to groups of individuals who are consumers of need-satisfiers or brands of products. Other target audiences are individuals as adopters of proposed ideas or performers of certain acts like voting, as well as institutions representing industrial or corporate consumers in the area of business to business marketing (Martínez-López, Merigó, Gázquez-Abad, & Ruiz-Real, 2020). Advertising and public relations share similar functional characteristics as persuasive communication tools (Ferguson, 2018).

Celebrity endorsement is a renowned marketing communication strategy worldwide which permits vendors to take benefit of celebrities’ fame in endorsing their goods (Carlson, Donavan, Deitz, Bauer, & Lala, 2020). However, there is constrained comprehension of how big name supports impact shopper’s inspiration and mindfulness towards the item and its management of an embraced brand. Carrillat, O’Rourke and Plourde (2019) widely acclaims that celebrity endorsements have constructive effects on brand attitudes, purchase decisions, merchandise sales, and stock value. According to Singh and Banerjee (2019) the accomplishment of a celebrity support is delivered by an exchange of representative implications; the socially applicable emblematic implications initially live in the superstar, and, through the underwriting, they move to an item, and from the item to the purchaser. An endorsement should be considered as an acknowledgement in developing strong communication which could be a self-possessed or vocalized enlightenment for an item and is given by certain crowd other than the originator of the item (Ateke, Onwujiariri, & Nnennanya, 2015). Celebrity endorsement is a well renowned promoting technique worldwide, whereby organizations use individuals of open acknowledgment as spokespersons for their products (Cheah, Ting, Cham, & Memon, 2019).

Past studies highlight inconsistent results related to this topic. To minimize these gaps, a conceptual framework based on the relationship of celebrity endorsement and consumer purchase intention is developed. To discourse these relationships, associative network theory and theory of planned behaviour were employed in this paper. This study aims to find out the influence of celebrity endorsement and brand loyalty on consumer purchase intention concerning the cell phone brands in Malaysia. Outcomes from this study would help executives and promoters to comprehend these effects in detail.

II. REVIEW OF LITERATURE

2.1 Celebrity Endorsement

Celebrity endorsement is a form of marketing communication used by brand managers that utilizes a well-known personality from sports, amusement, training, design, or some other industry utilizing their social status or their reputation to help support an item or a thought. Regularly big names are utilized by organizations in marketing communication and advancement exercises to endorse, or to give declaration (Osei-Frimpong, Donkor, & Owusu-Frimpong, 2019). McCormick (2016) set that
big name endorsement is successful in changing customers' outlook for the brands, affecting the acceptability and unwavering quality of notices decidedly and impacting buyers' buy expectations. According to Raja (2020) endorsements improve brand review and acknowledgment, change the negative disposition towards the brand, and set up the believability. Moreover, Lewallen, Miller, & Behm-Morawitz (2016) commercials endorsed by celebrities order high amiability among buyers bringing about organizations going overboard massive aggregates to associates big names to help their brands (Stafford, Stafford, & Day, 2002).

The idea of the celebrity endorser influences how shoppers see the characteristics and advantages of the item being embraced, along these lines expanding its worthiness among clients. Since they trust the celebrity, individuals will in general exchange their impression of the big name to the brand being embraced (Schimmelpfenning, 2018). Therefore, celebrity endorsement is regarded as an effective marketing practice by which advertisers advance and convince, yet in addition make their item or brand progressively alluring with the presence of a big name. Customers who consider famous people to be good examples are slanted to change their behavior to synchronize themselves with brand endorsers (Priyankara, Weerasiri, Dissanayaka, & Jinadasa, 2017). This procedure impacts shopper tastes and perspectives. The criticalness of celebrity endorsement in marketing communication lies in the idea that celebrities can add value not only to the product they are endorsing, but also to the brand (Nelson & Deborah, 2017). Past studies emphasized that brand endorser epitomize the given brand in a exclusive manner, which makes the item more attractive in comparison to their competitors brand, thus creating a positive brand picture to attach more sales (Bergkvist & Zhou, 2016). The significant influence that famous people can have on individuals’ minds and along these lines on shopper conduct which results in making advertisements more influential. (Albert, Ambroise, & Valette-Florence, 2017).

Consequently, sponsors attempt to match the behavior of a superstars to the characteristics of the item being recommended because this congruency emphasizes on the buyer’s rationalities and makes a positive brand disposition (Yu & Hu, 2020). Santos, Barros, and Azevedo (2019) examine the celebrity congruence model which proves that brand-celebrity and user-brand-personality congruence is fundamentally connected with brand attitude and brand purchase intention. Khamis, Ang and Welling (2017) noted that celebrities are considered as being sound and reliable worldwide and who are known for their skill in a given territory, can impact purchasers’ eagerness to buy an item undeniably more successfully. Therefore, publicists recruit superstars to endorse brands or products based on their attractiveness (Moradi & Zarei, 2011) as well as their credibility (Hussain, Melewar, Priporas, Foroudi, & Dennis, 2020).

2.2 Brand Loyalty

Brand loyalty is one of the widely discussed areas in marketing literature of since few years (Dupena-Baron, Gruen, & Guo, 2020). The incredible interest in customer brand loyalty can be accredited to its significance in accomplishing competitive advantages and monetary outcomes (Liu, Hultman, Eisengerich, & Wei, 2020). Brand loyalty is a phenomenon that has been investigated since long time; yet, with no definite signs to summarize the consequences. Brand loyalty develops a positive attitude of an individual towards particular brand that bring about continued repurchasing practices and in a lower consumer sensitivity to the cost and the contributions of contenders (Inegbedion & Obadiaru, 2019).

In today’s competitive business world the loyal customers are esteemed more, because they considered more lucrative for the firm as compare to new customer, subsequently loyal customer do frequent purchasing with the firm and have lower adjusting expenses (Yeh, Wang, & Yieh, 2016). Thus, overseeing and upgrading customer loyalty turns into a key basic for firms. Brand loyalty has been proclaimed by experts to be an authoritative goal of promoting. Brand loyalty encompasses of a consumer’s commitment to repurchase a product or a service or by other constructive actions such as word of mouth (Leckie, Nyadzayo, & Johnson, 2016). To have shoppers that are faithful towards your product is something that each brand ought to organize, since those clients are an incredible wellspring of creating conceivable pay. It is getting progressively significant for brands to ensure that they are serious every way under the sun. If a brand is competitive and maintain its superiority and purchasers see an incentive in the brand, they will in all probability repurchase it (Yeh et al., 2016). The development of a compacted and positive brand all around prompts a tendency of a particular brand among the customers, which after some time may provoke brand loyalty. Faithfulness comprises of a serious extent of holding among client and a brand. Besides, faithful clients are reluctant to switch brands and like to stay with a brand that they feel great and happy with (Foroudi, Jin, Gupta, Foroudi, & Kitchen, 2018). Consumers who are faithful towards a brand are additionally less value delicate and open to follow through on a greater expense for a particular brand contrasted with different other options, since clients may see an interesting an incentive in the brand. Another favorable position for organizations with brand faithful clients is the way that it can prompt market benefits. Organizations get exchange use and don’t have to publicize as much as organizations without steadfast consumers (Wang, Capon, Wang, and Guo, 2018). Advertising points of interest can likewise be acquired from improved verbal exchange among brand faithful customers (Giovanis & Athanasopoulou, 2018) bringing about higher gainfulness.

2.3 Purchase Intention

Purchase intentions has been widely utilized in the past studies as an indicator of successive purchase (Pradhan, Duraipandian, & Sethi, 2016). Purchase intention is well-defined as “consumers’ willingness to purchase certain products or services” (Malodia, Singh, Goyal, & Sengupta, 2017). Buy expectation has been comprehensively utilized as a central build to demonstrate shoppers’ purchasing conduct in statistical surveying (Ali, 2016). However, it is an indicator that is frequently condemned by experts, in light of the fact that there is a distinction between the real buying behavior and the buy aim. Real buy can be affected by external variables, for example, financial plan, normal practices, search costs, unavailability, sudden advancements (Foroudi et al., 2018). Along these lines, shoppers probably won’t wind up buying the item/administration, in spite of the fact that they have the buy goal. However, demeanor conduct examines have uncovered that mindsets and expectations are
altogether valuable to anticipate precise behaviors (Osei-Frimpong et al., 2019).

Generally, the term intention is considered as the antecedents that stimulate and drive consumers' acquisition of products and services (Chinomona & Maziriri, 2017). One of the most well-known methodologies embraced by advertisers in increasing a comprehension about buyers' genuine conduct is through considering their aims (Malodia, Singh, Goyal, & Sengupta, 2017). Singh and Banerjee, (2019) have revealed the existence of a compact relationship among these two specific constructs. Consequently, they declare that buy aim fills in as an option for estimating customers' buy conduct. In this manner, buyers' aim toward a specific deportment has remained the focal point of notable theories like theory of reasoned action (TRA). This claim is likewise bolstered by Azjen (1991) who notice that aim is the factor that boosts shoppers and thusly impacts their conduct. Undeniably, it uncovers how hard shoppers are contended to effort, just as the measure of exertion they design to apply for performing out a distinct behavior. As indicated by scholars, the likelihood that a specific conduct will really be performed by people to a great extent depends on the quality of their goals. At the point when the aims of playing out certain conduct are solid, there are higher probabilities that the particular conduct will be performed.

III. HYPOTHESES DEVELOPMENT

The conceptual framework applied in this investigation depends on two speculations. The main theory is of associative network theory, while the subsequent theory is of planned behaviour. Associative network theory is utilized to clarify the connection between the big name and the brand. While, theory of planned behaviour conduct is utilized to clarify the connection between attitude, societal customs, and behavioural control. A protracted empirical investigation has been directed with the aid of primary data. Variables discoursed in the framework tested empirically using primary data and all essential information gathered through a structured/questionnaire with measurable investigation.

In light of the literature investigated over, the study’s five hypotheses are referenced underneath, and the accompanying theory would be tested.

H1: There is significant relationship between celebrity endorsement and consumer purchasing intention.

H2: There is significant relationship between celebrity endorsement and brand loyalty.

H2: There is significant relationship between brand loyalty and consumer purchasing intention.

H4: Brand loyalty, mediates the relationship between celebrity endorsement and consumer purchasing intention.

To measure scales measurement is adopted from Serkan & Gökhan (2005). Purchase intention were estimated utilizing three items each adjusted from Shukla (2010), individually. All inquiries identified with the examination factors were estimated utilizing a five-point Likert scale running from 1 for "strongly disagree" to 5 for “strongly agree”.

3.1 Measurement and Data Collection

The measurement constructs combine, celebrity endorsement, brand loyalty and purchase intention, with a Likert 5-point scale extending " from 1 for “strongly disagree” to 5 for “strongly agree”. The convenience sampling is done to gather information from PDA clients living in Kuala Lumpur Malaysia by a self-regulated survey. The testing sampling duration was from January fifteenth, 2020 to March fifteenth, 2020. Absolutely 415 polls were dispatched. Of these, 382 surveys were returned, barring 31 invalid questionnaires, there are 351 usable questionnaires’ and the response rate is 84.57.

IV. RESULTS AND FINDINGS

4.1 Data Analysis

This statistical software SPSS was utilized to complete a descriptive analysis of the data, while PLS SEM was utilized to run the structural equation model. The latter involved a two-a step incremental approach: fitting the estimation model and afterward fitting the structural model.

4.2 Sample Profile

The total sample for this study based on 351 respondents, 61 percent (216) were feminine and 38 percent (135) were masculine. Most respondents (right around 56 percent) were students, the majority of them matured 22–30 (51.5 percent). Most respondents were unmarried (62.2 percent). Given below in Table 1 researcher discussed about the mean, standard deviation, internal consistency measures and inter-correlation of the study’s endogenous and exogenous variables.

Table 1: Descriptive analysis, correlation matrix and AVE
Attention: * p < 0.01.

<table>
<thead>
<tr>
<th>Latent construct</th>
<th>No. of items</th>
<th>Mean</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attractiveness</td>
<td>4</td>
<td>2.1</td>
<td>0.94</td>
<td>0.74</td>
<td>0.4</td>
<td>0.6</td>
<td>0.6</td>
<td>0.7</td>
<td>0.4</td>
</tr>
<tr>
<td>Trustworthiness</td>
<td>5</td>
<td>2.6</td>
<td>0.8</td>
<td>0.42*</td>
<td>(0.16)</td>
<td>0.6</td>
<td>0.5</td>
<td>0.5</td>
<td>0.2</td>
</tr>
<tr>
<td>Expertise</td>
<td>5</td>
<td>2.3</td>
<td>0.8</td>
<td>0.49*</td>
<td>(0.23)</td>
<td>0.5</td>
<td>0.5</td>
<td>0.4</td>
<td>0.7</td>
</tr>
<tr>
<td>Brand Loyalty</td>
<td>9</td>
<td>2.5</td>
<td>0.9</td>
<td>0.34*</td>
<td>(0.08)</td>
<td>0.4</td>
<td>0.4</td>
<td>0.7</td>
<td>0.6</td>
</tr>
<tr>
<td>Purchase intention</td>
<td>3</td>
<td>2.7</td>
<td>1.0</td>
<td>0.4</td>
<td>0.23</td>
<td>0.4</td>
<td>0.3</td>
<td>0.7</td>
<td>0.6</td>
</tr>
</tbody>
</table>

All the variables have a reliability coefficient that falls within an acceptable range (0.07 or above), as suggested by (Taber, 2018). None of the coefficients is greater than 0.8, indicating that there is no multicollinearity in the dataset.

4.3 Factor Analysis and Reliability Analysis

The investigation utilizes Cronbach’s α to quantify the internal reliability of the questionnaire. As appeared in Table 2, Cronbach’s α of Attractiveness is 0.915, Trustworthiness 0.856 and Expertise is 0.863 separately. Brand loyalty is 0.893 and purchase intention is 0.906. Concurring (Taber, 2018) proposal, when Cronbach’s α is more noteworthy than 0.7, it shows the survey has a generally high internal reliability. The aftereffects of the examination show that Cronbach’s α in all factors is higher than 0.7. It shows that the reliability of the survey is worthy.

Table 2. CFA results for observed and latent constructs

<table>
<thead>
<tr>
<th>Variables</th>
<th>Measuremen t item</th>
<th>Cronbach’s α</th>
<th>CR</th>
<th>AV E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attractiveness</td>
<td>4</td>
<td>0.915</td>
<td>0.92</td>
<td>0.73</td>
</tr>
<tr>
<td>Trustworthiness</td>
<td>5</td>
<td>0.856</td>
<td>0.86</td>
<td>0.66</td>
</tr>
<tr>
<td>Expertise</td>
<td>5</td>
<td>0.863</td>
<td>0.89</td>
<td>0.56</td>
</tr>
<tr>
<td>Brand Loyalty</td>
<td>9</td>
<td>0.893</td>
<td>0.88</td>
<td>0.73</td>
</tr>
<tr>
<td>Purchase intention</td>
<td>3</td>
<td>0.906</td>
<td>0.93</td>
<td></td>
</tr>
</tbody>
</table>

Note: α = Cronbach’s alpha, CR = composite reliability, AVE = average variance extracted.

4.4 Mediating Test

As per Baron and Kenny (1986) proposals, there are three stages to analyze the intervening variable. First, the independent variable must be appeared to influence the dependent variable in the primary condition, second, the independent variable must affect the mediator in the subsequent condition; and third, the mediator must influence the dependent variable in the third condition. On the off chance that these conditions all hold the anticipated way, at that point the impact of the autonomous variable on the needy variable must be less in third condition than in the subsequent condition. Perfect mediation holds if the independent variable has no effect when the mediator is controlled. Thusly, to test theory four (H4), a regression analysis is applied to examine whether brand loyalty will mediate purchase intention. The result reveals that purchase intention as the dependent variable, and attractiveness, trustworthiness and expertise as the independent variable. The results show that attractiveness (β=0.424, p<0.001), trustworthiness (β=0.378, p<0.001) and expertise (β=0.385, p<0.001) significantly accounted for purchase intention. Secondly, regresses with purchase intention by adding brand loyalty as the mediating variable. The results exhibit that β value of purchase intention reduces from 0.335 to 0.181 in brand loyalty. As a consequence, the effects attractiveness, trustworthiness and expertise on purchase intention are reduced because of adding the mediator, brand loyalty. So, hypothesis four (H4) is supported, and there is a mediating effect (see Table 4).

Table 4. Meditating Test of Brand Awareness, Perceived Quality and Purchase Intention

<table>
<thead>
<tr>
<th>Variables</th>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Attractiveness</td>
<td>Trustworthiness</td>
<td>Expertise</td>
</tr>
<tr>
<td>celebrit y endorse ment</td>
<td>Purchase intention</td>
<td>Purchase intention</td>
<td></td>
</tr>
<tr>
<td>brand loyalty</td>
<td>0.424*** (0.000)</td>
<td>0.181**(0.002)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.378*** (0.000)</td>
<td>0.196*** (0.001)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>0.385*** (0.000)</td>
<td>0.343*** (0.000)</td>
<td></td>
</tr>
<tr>
<td>Adj. R2</td>
<td>0.233</td>
<td>0.177</td>
<td>0.216</td>
</tr>
<tr>
<td>F</td>
<td>36.960</td>
<td>57.335</td>
<td>25.130</td>
</tr>
</tbody>
</table>

*P<0.05, **P<0.01, ***P<0.001

V. DISCUSSION AND THEORETICAL IMPLICATIONS

In view of the point of our paper and to minimize the gaps, we applied associative network theory and theory of planned behaviour to develop our conceptual model. Our validated model distinguished the key role of celebrity endorsement, its three dimensions attractiveness, expertise and trustworthiness on purchase intention with brand loyalty taken as an intervening
construct. The discoveries of this investigation propose that all of the hypotheses are affirmed. This examination affirms that celebrity credibility positively affects attitude towards superstar support. These results are in accordance with the past examinations, where predictors (La Ferle and Choi, 2005; Sallam and Wahid, 2012) have affirmed the constructive outcomes of celebrity credibility on the validity of consumer purchase intention. The investigation's most significant discovering concerns the mediating job of brand loyalty in the proposed connections. It finds that brand loyalty completely mediates the connection between each of the three components of celebrity endorsement and purchase intention. These outcomes bolster Chi (2009) finding that brand loyalty intervenes the relationship between endorser’s attractiveness, trustworthiness and expertise and customer intention to purchase.

In view of the examination's outcomes, a cellular phone companies’ decision of using superstar endorser is significant for creating positive brand loyalty and customer buy aim. Marketing agencies and clients in everywhere throughout the world ought to lean toward big name endorsers described by reliability, recognition and believability (Lucassen, Mulwijk, Noordzij, and Schraagen, 2013). This makes it significant for organizations and marketing agencies to consider the reliability and believability related with potential superstar endorsers when structuring promoting efforts, to guarantee they have the best conceivable effect on positive brand unwaveringness accordingly expanding buy aims. In conclusion, this investigation affirms that celebrity credibility and brand devotion have a positive on buy goals.

VI. STUDY LIMITATIONS AND FUTURE RESEARCH

Given the limitations identified with time, availability and sampling frames, the investigation depended on convenient sampling to gather its information, which may influence the degree to which these outcomes can be generalized. In spite of the fact that we have utilized cross-sectional data, future exploration could utilize longitudinal data to limit common method bias.

Another perspective that could be consolidated is the cultural context. Taking into account that culture additionally shapes esteems, convictions, behavior, conduct and way of life, it might be intriguing to check how this influences buyer reaction to different types of celebrities in Malaysia, including competitors, on-screen characters, vocalists, experts, spokespersons, sentiment producers and writers. Future exploration could likewise survey whether celebrity endorsers related with negative discernments influence brand attributes, for example, brand love, buy expectation and trust. Correspondingly, the impact of superstar switching behavior on purchaser conduct is a region worth inspecting.

REFERENCES


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