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The effects of celebrity-endorsed products on consumers' purchase intentions

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by

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Abstract

This study aims to test the effects of celebrity-endorsed products on consumers' purchase intentions. And the main characteristics of celebrity respectively, are expertise, trustworthiness, similarity, familiarity, product match up. These traits will have effects on purchase intention of the consumers. There were 50 valid online questionnaires, and the McCracken's model of Meaning Transfer Model was used to test the measurement and structural models empiritically. The study target were mainly students with bachelor's degree. The findings indicate that expertise, trustworthiness, similarity, familiarity, and product match up will influence the consumers' purchase intentions, and there is a positive effect of celebrity endorsements on consumers' purchase intentions. The findings of this study provide new methods for marketing and brand managers to design and market their campaigns effectively.

Keywords: Celebrity endorsements; consumer buying behavior; purchase intentions; non-celebrity endorsement

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The Problem Identification

1.1 Introduction

According to Maslow's demands pyramid, people tend to pursue their mental demand after satisfied basic demands. Since the twenty-first century, the majority of people in China have already met their basic demands; more and more youth and even adults tend to consume on their idols (Balakrishnan and Kumar, 2011). Many businessmen have acute business insights and see the profits in this trend. They try to sell products using celebrity endorsements. Many years passed; this business model seems to work pretty well in the real world (Spielman, 1981). Regardless of brand and quality, people will buy a lot of products just because of their idols using this product. There are many elements of celebrity-endorsed products that will influence consumers' purchase intentions, and I select the five most important factors, wondering how these factors have effect on consumers' purchase intentions.

The practice of celebrity endorsement has increased dramatically over time. Now it has become a common element in advertising. Salesmen use celebrity spokespersons to affect consumers' purchase decisions to expand market share and increase their sales. Celebrity endorsements are a reliable way to spend money for a brand, as consumers immediately associate the product and distinguish the endorsed brand from a given variety. According to consumers, a recognized product has a higher purchase value than the corresponding product (Clark and Horstman, 2003).

This research building on the understanding of how consumers think about celebrity endorsements and how much celebrity attributes are likely to influence consumer purchase intentions. I will review the existing literature available on celebrity endorsements and clarify many significant aspects related to the subject. In addition, I will propose a quantitative method for this research subject to investigate consumer's perception, their subsequent impact on purchase intention and attributes. The study will also propose a methodology framework.

1.2 Research Objectives

To gain more insight and provide the answers to the problem statement, the following questions need to be addressed:

- (1) To explore and examine the current state of consumer's thoughts about celebrity endorsements.
- (2) To identify the main factors which will influence consumer's purchasing behavior through celebrity endorsements.
- (3) To study how consumers' willingness to purchase is influenced by celebrity endorsement.

Literature Review

2. 1 The Definition of Celebrity Endorsements

Firstly, as for the definition of celebrity endorsements, it is a form of branding or advertising campaign, including celebrities using their reputation to help promote products or services. It has been observed that a quarter of advertisements use celebrity endorsement products or brands. It validates that celebrity endorsement is an effective means of persuasive communication. It has the potential to increase the viewer's attention, make the ads more credible and satisfying, and add charm to the

endorsement products (Spielman, 1981). Using celebrity spokespersons, companies can easily break the symbolic link between consumers and aspiring reference groups because celebrity spokespersons are considered dynamic, attractive, and flattering (Assael, 1984). It is the perfume and apparel manufacturers are some of the most common commercial users of classic celebrity endorsement techniques, such as TV commercials and launch events, in their product marketing. In addition, it is a marketing strategy that uses one or more celebrities to advertise a particular product or service. In this case, the main goal is to reach more viewers, represented by celebrity fan bases. Secondly, consumer buying behavior is the collective action, including consumer search, selection, purchase, consumption, disposal, what actions consumers take when determining which goods and services are most valuable to meet their needs (Assael, 1984). In today's dynamic and competitive environment, customers are constantly reaching out to different brands through different marketing strategies. Consumer behavior is an important and complex area for marketers because different people have different needs. As stated by LaFerle et al. (2005), consumer satisfaction is the ultimate goal of a business; therefore, the job of the marketer is to accurately determine customer needs and develop products based on customer needs. Marketers study consumer buying behavior to determine the impact of psychological, sociological, and cultural factors on purchasing decisions. Furthermore, desire is infinite, and the resources to satisfy these desires are limited. So consumers must think rationally before buying any product. For example, buying toothpaste is completely different from buying a luxury car. The more expensive a product, the more information consumers need.

2.2 How Celebrity Endorsements Impact Consumer Buying Behavior

As for how celebrity endorsements impact consumer buying behavior, what is experienced is that celebrity endorsement products, because of their product recall rate, make them stand out when shopping, more eye-catching (Bowman, 2002). Celebrity advertising has a strong influence on consumers' learning style and memory, which is an important aspect of marketing communication success. Celebrities often make advertising more memorable in the minds of consumers, even if there is no immediate demand for advertising products. Marketers use the advantage of information stored in the minds of consumers, and consumers can easily retrieve this information when shopping or when needed. It leads to the conclusion that celebrity endorsements are likely to have a positive impact on consumer buying behavior. However, celebrity endorsements also have some negative impacts on consumer buying behavior. The main problem is that consumers have not noticed that the brand is recognized because they are more concerned about celebrities (Erdogan,1999). Overexposure is a common problem among highly demanding and recognized celebrity spokespersons, because every big company wants to hire them to support their brand, which ultimately leads to more confusion for consumers, and can't correctly recall the brands that celebrities represent (*Tripp et al.*1994). Now consumers have realized that celebrity endorsement brands are just for money. If a celebrity starts to appear and recognizes a brand in every possible category, then the credibility he has in the past will definitely decrease (Patel, 2009). Celebrity clutter means that when each celebrity endorses multiple products and multiple brands in one category, it will make customers more confused.

I will just discuss celebrity endorsement. In recent years, film stars have become very popular among young adults, and they try to follow many things from the celebrity. As a result, celebrities are easy to influence young adults' attitudes and behavior. In addition, I will establish a theoretical framework to show the specifications of the impact of celebrity endorsements on consumer buying behavior. The framework has been adapted to understand the comprehensive model of celebrity endorsements and consumer perception research on cross-cultural consumption behavior (*Biswas et al.* 2009). The behavior of a marketer is a medium that can transfer the meaning or value of culture into the world to consumer goods (McCracken, 1986).

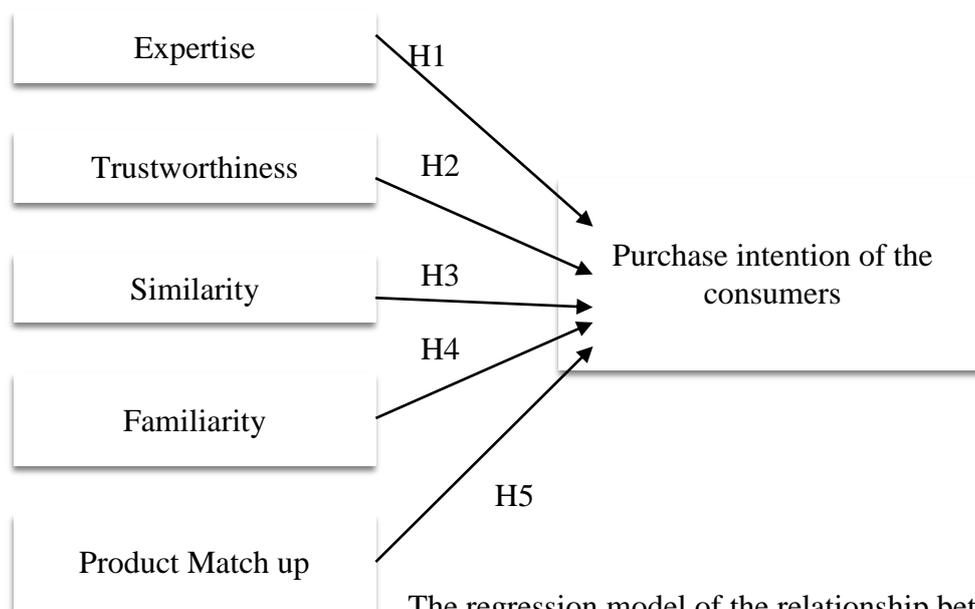


Figure 1. The regression model of the relationship between five variables and the purchase intentions of the consumers

2.3 Hypotheses

2.3.1 Trustworthiness

Traditionally, we would buy a celebrity-endorsed product if the celebrity is trustworthy from our point of view (Assael, 1984). The regression analysis results show a positive proportional relationship between the two variables. If the source is more credible, it will have a significant impact on the consumer's willingness to buy (β coefficient of $-\text{trustworthiness} = .280$).

H1. The trustworthiness of the celebrity positively affects the purchase intention of the consumer.

2.3.2 Expertise

By regression analysis of the direct relationship between the two variables, the results show that if the source is more professional, it may have a significant impact on the consumer's willingness to purchase (Assael, 1984) (the beta coefficient of professional knowledge is 0.306).

H2. The expertise of the celebrity positively affects the purchase intention of the consumer.

2.3.3 Similarity

The regression analysis results show a positive proportional relationship between the two variables (Bowman, 2002) If the supply is more reliable, it will have a significant impact on the consumer's willingness to purchase (the beta similarity coefficient is 0.389).

H3. The similarity between the celebrity and consumer positively affects the purchase intention of the consumer.

2.3.4 Familiarity

The regression analysis results show a positive proportional relationship between the two variables (Erdogan, 1999). If the source is more familiar, it will have a significant impact on the consumer's willingness to purchase (β coefficient of "similarity" = .371).

H4. Familiarity among consumers positively affects the purchase intention of the consumer.

2.3.5 Product Matchup

The regression analysis results show a positive proportional relationship between the two variables. If the attribute matching of the source is higher, it will have a positive impact on the consumer's willingness to purchase (β coefficient of "Match-up" = .240). Based on the regression analysis, it is proved that 5.7% of the pairing has a positive impact on purchase intention (Patel, 2009). Although this effect is considered to be small, it has a positive impact on the willingness to purchase. Therefore, this assumption is accepted.

H5. Product Fit/Match with the celebrity positively affects the purchase intention of the consumer.

Research Methodology

3.1 Sample

In this study, in order to study the effects of celebrity-endorsed products on consumers' purchase intentions, it uses a quantitative research method. The participants were of different ages and gender. Table 1 shows specific demographic information by percentages. In addition, a total of 50 people were surveyed, including 23 males and 27 females, mainly distributed between the ages of 18-25, mainly university students. About 60% of people spend 4-9 hours watching YouTube or browsing Weibo. And more than 40% of people spend 4-6 days watching YouTube or browsing Weibo in a month.

Table 1. Demographic information of the respondents (%)

Items	Characteristics in %
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Gender	Male: 46% Female: 54%
Age	Below 18: 0% 18-25: 96% 26-35: 4% 36-45: 0% 46 and above:0%
Education	Less than high school: 0% High school: 0% College: 2% Bachelor's degree:96% Masters or higher: 2%
How many hours per day do you watch /browse YouTube/ Weibo?	Less than 1 hour: 10% 1-3 hours: 10% 4-6 hours: 30% 7-9 hours: 30% 10-12 hours: 14% 13 hours and above: 6%
How many days do you watch /browse YouTube/Weibo in a month?	1-3 days: 8% 4-6 days:42% 7-9 days: 26% 10 days and above: 24%

3.2 Measures

All metrics are employed from previous research on celebrity-endorsed products to improve effectiveness and reliability. According to the answers of the participants, it can better indicate the effects of celebrity-endorsed products on consumers' purchase intention. In addition, each of the

subjects should have at least five questions. The degree of consent used in this study is a seven-point Likert scale, which is usually used for market research or academic research.

3.3 Reliability test

All data were collected from the online powerful questionnaire website, and the period of data collection was within a week. There are 50 valid questionnaires. Cronbach's alpha is a measure of internal consistency and it is a coefficient of reliability (Assael, 1984). In this research, the criteria of Cronbach's alpha were used to assess each variable's reliability. And a commonly accepted rule for describing internal consistency using Cronbach's alpha is as follows: Excellent ($\alpha > 0.9$), Good ($0.8 < \alpha < 0.9$), Acceptable ($0.7 < \alpha < 0.8$), Questionable ($0.6 < \alpha < 0.7$), Poor ($0.5 < \alpha < 0.6$), Unacceptable ($\alpha < 0.5$) (George and Mallery, 2003; Kline, 2000; DeVellis, 2012)

Table 2. Cronbach's Alpha (α) of each variable.

Variables	No. of Items	Cronbach's Alpha
Trustworthiness	6	0.885
Expertise	6	0.910
Similarity	6	0.887
Familiarity	6	0.907
Product Match Up	5	0.866
Behavioral Intention	6	0.936

As a result, the reliability of expertise, familiarity and behavioral intention is excellent, and the reliability of trustworthiness, similarity, and product match up is good.

3.4 Correlation test

With the responses from 50 respondents, the correlations between every two variables are listed below. In addition, Pearson's correlation is the measurement method in this study. According to Evans (1996), the strength of correlating is suggested as followed: 1) .00-.19 "very weak", 2) .20-.39 "weak", 3) .40-.59 "moderate", 4) .60-.79 "strong", and 5) .80-1.0 "very strong." The correlation between trustworthiness and product match up is 0.787 and has a strong correlation. In addition, the correlation between trustworthiness and the other four variables is more than 0.8, and there is a very strong correlation. The correlation between expertise and the other four variables is more than 0.8 and less than 1, and there is a very strong correlation. Furthermore, the correlation between similarity and the other three variables is more than 0.8 and less than 1, and there is also a very strong correlation. The correlation between familiarity and product, behavioral is more than 0.8 and less than 1, which has a very strong correlation. In addition, the correlation between product and behavioral is 0.894, which has a very strong correlation.

Table 3. Correlation Matrix

		Correlation Table					
		Trustworthiness	Expertise	Similarity	Familiarity	product	behavioral
Trustworthiness	Correlation Sig.(2-tailed)	1					
Expertise	Correlation Sig.(2-tailed)	.890	1				
		.000					
Similarity	Correlation Sig.(2-tailed)	.882	.945	1			
		.000	.000				
Familiarity	Correlation Sig.(2-tailed)	.800	.870	.879	1		
		.000	.000	.000			
product	Correlation Sig.(2-tailed)	.787	.832	.845	.854	1	
		.000	.000	.000	.000		
behavioral	Correlation Sig.(2-tailed)	.864	.881	.885	.882	.894	1
		.000	.000	.000	.000	.000	

3.5 Statistical Method

All issues ranging from strong disagreements (1) to strong agreements (7). (From 1 to 7) And their attitude to participating. SPSS's regression is statistical software used to analyze and explain the statistical significance of the causality between different variables observed. Under this circumstance, when p-value <0.05, we regard this variable as a significant variable towards this regression made in SPSS. And β are the coefficients of every variable. All β are positive through SPSS regression testing. In Hypothesis 1, trustworthiness ($\beta=0.864$, $p=0.000<0.05$) indicates that the predictive power of the independent variable trustworthiness is positive correlation on the dependent variable purchase intentions. In Hypothesis 2, expertise ($\beta=0.881$, $p=0.000<0.05$) indicates that the predictive power of the independent variable expertise is a positive correlation on the dependent variable purchase intentions. In Hypothesis 3, similarity ($\beta=0.885$, $p=0.000<0.05$) indicates that the predictive power of the independent variable similarity is a positive correlation on the dependent variable purchase intentions. In Hypothesis 4, familiarity ($\beta=0.882$, $p=0.000<0.05$) indicates that the predictive power of the independent variable familiarity is a positive correlation on the dependent variable purchase intentions. In Hypothesis 5, product match up ($\beta=0.894$, $p=0.000<0.05$) indicates that the predictive power of the independent variable product match up is a positive correlation on the dependent variable purchase intentions.

All the p-value under the direct effect category show the significance level,

Table 4. Path coefficient for variables

	β	T Statistics	P Values
Trustworthiness	0.864	11.865	0.000
Expertise	0.881	12.885	0.000
Similarity	0.885	13.177	0.000

Familiarity	0.882	12.980	0.000
Product Match Up	0.894	13.818	0.000

Results and Discussion

4.1 Hypotheses Testing

The hypothesis test results are shown in the following chart.

Table 5. Hypotheses testing

No.	Hypothesis	Results
1	The expertise of the celebrity positively affects the purchase intention of the consumer.	Supported
2	The trustworthiness of the celebrity positively affects the purchase intention of the consumer.	Supported
3	The similarity between the celebrity and consumer positively affects the purchase intention of the consumer.	Supported
4	The familiarity among consumers positively affects the purchase intention of the consumer.	Supported

5	Product match up with the celebrity positively affects the purchase intention of the consumer.	Supported
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Conclusions and Implications

5.1 Discussions

The initial orientation of the study is to find the effects of celebrity-endorsed products on consumers' purchase intentions. And as for these hypotheses, they can all be established. Trustworthiness is really important in people's daily life, and if consumers have a perception that the celebrity is trustworthy, they will easily buy the product the celebrity-endorsed. As for the expertise, consumers are more willing to believe the products if the celebrity knows lots of things in the field and is professional. Similarity can make consumers have an intimate feeling, and if there are some common things of

consumers and celebrities, consumers are more willing to pay for the product which is endorsed by the celebrity (Erdogan, 1999). Moreover, experts insist that image, reputation, values, and appearance of a celebrity must be related to the endorsed product or service (Miciak and Shanklin, 1994). As a result, product match up with the celebrity positively affects the purchase intention of the consumer. All the dimensions that make up a celebrity's charm combine to make the audience aware of celebrities. Among them, the most important criterion for celebrities is easy to be recognized, flattering and friendly (Miciak and Shanklin, 1994).

5.2 Managerial Implications

The research indicates the effects of celebrity-endorsed products on consumers' purchase intentions and the results show that expertise, trustworthiness, similarity, familiarity and product match up have a positive effect on consumers' purchase intentions. The companies can invite those celebrities who are suitable to endorse the product. Furthermore, celebrity in good character is also trustworthy and attractive to consumers. In addition, companies could find the similarity between celebrity and consumers and try to make a connection. Extending the media exposure of celebrity and product at the same time is also a good approach and could be adopted by companies. Celebrity endorsement could have great impact on consumers' purchase intention and companies need to appropriately utilize it.

5.3 Limitations and Future Research

It can be found that although the results of this study illustrate several important issues, there are still many limitations in the process- for example, the limitations of the subjects in the process of collecting questionnaires. The age and education background of people are so similar that the results are not persuasive enough. In addition, a quantitative study covering consumers in other emerging economies will enhance the predictive power of future research. Finally, it would be useful to measure the extent to which cultural dimensions predict the perceptions, attitudes, and behaviors of different cultures, and how the proposed theoretical framework works.

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APPENDIX

Questionnaire

The effects of celebrity-products on consumers' purchase intention

Part 1 : Profile

1. Gender

- Male
- Female

2. Age

- Below 18
- 18-25
- 26-35
- 36-45
- 46 and above

3. Education

- Less than high school
- High school
- college
- Bachelor's degree
- Masters or higher

4. On average, how many hours per day do you watch/browse Youtube/ Weibo?

- Less than 1 hour
- 1 to 3 hours
- 4 to 6 hours
- 7 to 9 hours
- 10 to 12 hours
- 13 hours and above

5. How many days do you watch Youtube/Weibo in a month?

- 1-3
- 4-6
- 7-9
- 10 and above

Part 2:

A. Trustworthiness	Rating from 1 (lowest) to 7 (highest)						
1. I found the celebrity endorser is trustworthy.							
2. I found the celebrity endorser is credible.							
3. I found the celebrity endorser is honest.							
4. I found the celebrity endorser is believable.							
5. I found the celebrity endorser is sincere.							
6. I found the celebrity endorser is authentic.							
B. Expertise	Rating from 1 (lowest) to 7 (highest)						
7. I found the celebrity endorser is an expert.							
8. I found the celebrity endorser is skillful.							
9. I found the celebrity endorser is reliable.							
10. I found the celebrity endorser is knowledgeable.							
11. I found the celebrity endorser knows a lot.							
12. I found the celebrity endorser is well-experienced.							
C. Similarity	Rating from 1 (lowest) to 7 (highest)						
13. I found the celebrity endorser's age is the same as mine.							

14. I found the celebrity endorser's interest is homologous to mine.							
15. I found the celebrity endorser's experience is similar to mine.							
16. I found the celebrity endorser's growth environment is similar to mine.							
17. I found the celebrity endorser's favorite food is similar to mine.							
18. I found the celebrity endorser's hometown is the same as mine.							
D. Familiarity	Rating from 1 (lowest) to 7 (highest)						
19. I found the celebrity endorser has a strong affinity.							
20. I definitely recognize the celebrity endorser.							
21. I definitely have heard of the celebrity endorser's name before.							
22. I found the celebrity endorser is very familiar.							
23. I found the celebrity endorser gives me a warm feeling.							
24. I found the celebrity endorser makes me feel wa							
E. Product Match up	Rating from 1 (lowest) to 7 (highest)						
25. I found the celebrity endorser's education background matches up with the product.							
26. I found the celebrity endorser's idea matches up with the product.							
27. I found the celebrity endorser's appearance matches up with the product.							
28. I found the celebrity endorser's personality matches up with the product.							
29. I found the celebrity endorser's hobby matches up with the product.							
F. Behavioral Intention	Rating from 1 (lowest) to 7 (highest)						
30. I will buy the product after seeing a celebrity endorses it.							
31. I will pay more attention to celebrity- endorsed advertisements than non-celebrity advertisements.							

32. I will try the product after seeing a celebrity endorses it.							
33. I will seek out the product after seeing a celebrity endorses it.							
34. It will change my attitude towards the product after seeing a celebrity endorses it.							
35. It will influence my idea about the product after seeing a celebrity endorses it.							