

THE INFLUENCES OF MALAYSIAN CELEBRITY
ENDORSEMENT TOWARDS CUSTOMER
PREFERENCES ON LOCAL BEAUTY PRODUCTS

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**THE INFLUENCES OF CELEBRITY ENDORSEMENT TOWARDS
CUSTOMER PREFERENCES ON BEAUTY PRODUCTS**

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**The thesis is submitted in partial fulfillment of the requirement for the degree of
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DECLARATION

“I admit that this thesis entitle The Influences of Celebrity Endorsement towards Customer Preferences ob Beauty Products is the result of my own research, except certain explanations and passages where every of it is cited with sources clearly as in the references.”

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DEDICATION

I would like to dedicate the appreciation to my beloved family especially my parents, Noor Azam bin Mohamed and Lina binti Che Raiff who always support and provide encouragement to me when I faced the challenges in university life. Regardless, I would like to dedicate this research to my lovely supervisor IR. Budiono Hardjono, my panel lecturer and those people who have assisted and inspired me during completing of this research.

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ABSTRACT

This research provides an analysis about the influences of Malaysian celebrity endorsement towards customer preferences on local beauty products. The research draws attention of local beauty product owner or founder . Therefore, this research focuses on how Malaysian celebrity endorsement can influence the customer preferences on choosing local beauty products It uses three independent variables to measure the relationship between celebrity endorser attributes and customer preferences. There are trustworthiness, celebrity expertise and physical appearance. Since this research use quantitative method, 384 of questionnaires have been distributed randomly around Malacca state. Besides that, online survey and email survey also use in this research either face to face survey. The realization of this methodology was made potential concluded a fresh company/ brand image. As a result, this research will give big contribution to the marketers by improving their decision making process in choosing the right celebrity endorsement. The result will be useful for further study in customer preferences and brand/company image

Keywords : *Celebrity Endorsement, Customer Preferences*

ABSTRAK

Kajian ini memberikan analisis mengenai pengaruh pengendorsan selebriti Malaysia ke arah pilihan pelanggan pada produk kecantikan tempatan. Kajian ini menarik perhatian pemilik produk kecantikan tempatan atau pengasas. Oleh itu, kajian ini memberi tumpuan kepada bagaimana pengendorsan selebriti Malaysia boleh mempengaruhi pilihan pelanggan dalam memilih produk kecantikan tempatan. Ia menggunakan tiga pembolehubah bebas untuk mengukur hubungan antara sifat-sifat endorser selebriti dan keutamaan pelanggan. Terdapat amanah, kepakaran selebriti dan penampilan fizikal. Kerana kajian ini menggunakan kaedah kuantitatif, 384 soal selidik telah diedarkan secara rawak di sekitar negeri Melaka. Selain itu, kaji selidik dalam talian dan kajian e-mel juga digunakan dalam kajian ini sama ada muka kaji selidik muka. Merealisasikan kaedah ini telah dibuat berpotensi membuat kesimpulan imej syarikat / jenama segar. Hasilnya, kajian ini akan memberikan sumbangan yang besar kepada pemasar dengan meningkatkan proses membuat keputusan mereka dalam memilih pengendorsan selebriti yang betul. hasilnya akan menjadi berguna untuk kajian lebih lanjut dalam keutamaan pelanggan. dan jenama / imej syarikat

Kata kunci : *Pengendorsan Selebriti, Keutamaan Pelanggan*

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LIST OF ABBREVIATIONS/SYMBOL

RQ1	=	Research Question 1
RQ2	=	Research Question 2
RQ3	=	Research Question 3
RO1	=	Research Objective 1
RO2	=	Research Objective 2
RO3	=	Research Objective 3
H1	=	Hypothesis 1
H0	=	Hypothesis 0

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CHAPTER 1

INTRODUCTION

1.1 Background of Study

Endorsements are a form of advertising that uses famous personalities or celebrities who command a high degree of recognition, trust, respect or awareness amongst the people. Such people advertise for a product lending their names or images to promote a product or service.(Kavitha, 2016)

The celebrity endorser is a ubiquitous feature of modern marketing. Celebrity endorsements play a huge role in increasing the sales and revenue of the companies they are associated with. Such endorsements ensure a quick and reliable brand building of a particular product/service they tend to focus on. The major reason of instant increase in sales using such marketing gimmicks is that the ultimate consumer tends to believe that this particular product/service is being used by their favorite celebrity as well which earns their instant trust and recognition. As a result, the received wisdom on celebrity endorsement is modest and imperfect, and existing models fail to capture several of the most interesting and central characteristics of the endorsement process (McCracken, 1989). The current popularity of celebrity endorsements can be attributed to the numerous benefits retailers have seen by utilizing this form of advertisement. For instance, celebrities who are featured as endorser have the ability to grab the audience's attention, giving retailers a better chance of communicating their message to consumer.

All marketing starts with the consumer. All consumers are a very important person to a marketer. Consumer decides what to purchase, for whom to purchase, why to purchase, from where to purchase, and how much to purchase. In order to become a successful marketer, he must know the liking or disliking of the customers. He must also know the time and the quantity of goods and services, a consumer may purchase, so that he may store the goods or provide the services according to the likings of the consumers. Now the whole concept of consumer's sovereignty prevails. The manufacturers produce and the sellers sell whatever the consumer likes. In this sense, consumer is the supreme in the market'. As consumers, we play a very vital role in the health of the economy local, national or international. The decision we make concerning our consumption behavior affect the demand for the basic raw materials, for the transportation, for the banking, for the production; they affect the employment of workers and deployment of resources and success of some industries and failures of others. Thus marketer must understand this.

Preference (or "taste") is a concept, used in the social sciences, particularly economics. It assumes a real or imagined "choice" between alternatives and the possibility of rank ordering of these alternatives, based on happiness, satisfaction, gratification, enjoyment, utility they provide. More generally, it can be seen as a source of motivation. In cognitive sciences, individual preferences enable choice of objectives/goals. The study of the consumer preference not only focuses on how and why consumers make buying decision, but also focuses on how and why consumers make choice of the goods they buy and their evaluation of these goods after use. So for success of any company or product promotion it is very necessary to depart its concentration towards consumer preference.

According to Patrick Bishop (2000), a marketing expert, "when you get a celebrity to endorse your company or sign licensing agreement, you benefit from customer awareness of the property, which could include the perception of the quality, educational value or a certain image. If a celebrity endorsing or the business is selling the product of

a well-known person or entity, then people assume they must be a good company to deal with.”

Marketers must understand what happens to the buying decision of the customer when the cultural meanings of celebrities are disgraceful. This is because the customer purchasing and using the product endorsed by the celebrity can obtain some of those meanings and use them in constructing a satisfying self-control. This research is specifically on celebrity endorsement and its influences toward customer preference on purchasing beauty product. According to Byrne & Whitehead (2003), customers' attitudes regarding brands and products are well enhanced by celebrities, but whether it generates repeat purchase intention and loyalty is not so clear. However, there is no actual evidence to prove that the efficiency of celebrity endorsement will attract consumer to re-purchase the product when compared to a non-use of celebrity endorsement.

In fact, there have high chances of consumer might pay more attention to celebrities in the advertisements than the actual product endorsed, which is not marketers intention. As in the beauty product advertisements, physically attractive celebrities are especially recognized. They might attract the consumer to buy more instead of true brand commitment.

1.2 Problem Statement

There a lot of research conducted by researcher before on the influences of celebrity endorser towards customer brand preferences on local beauty products. But, not so many of them were related to Malaysian brand, especially in beauty products. Since celebrities play the important role in convincing the potential customers, so this gap of the research become a trigger to conduct a research in understanding on how the influences of Malaysian celebrity endorsement towards customer brand preferences on local beauty product.

Beauty products have large market size and many in the market. However, customer tends to use import products compared to local products. It is because, import product have strong name brand. So, this research is conducted to increase the awareness of Malaysian towards local beauty products and brand name. By using Malaysian celebrity endorsement which having package as a product ambassador to persuade the consumer, it at once increase products and brand awareness among consumer.

In addition, celebrity endorsement can strengthen the brand name of product especially local beauty products. The problem is how to choose the right characteristic of local celebrity that matched with the product itself. So, this research is conducted to understand whether the character of the celebrity can influences customer brand preferences on local beauty products

1.3 Research Question

RQ1: What is the influences of trustworthiness of celebrity endorser towards customer preference?

RQ2: What is the influences of expertise of celebrity endorser towards customer preference?

RQ3: What is the influences of physical attractiveness of celebrity endorser towards customer preference?

1.4 Research Objective

The following are the aims and objectives of initiating on this study:

RO1: To identify the influences of trustworthiness of celebrity endorser towards customer preference.

RO2: To investigate the influences of expertise of celebrity endorser towards customer preference.

RO3: To examine the influences of physical attractiveness of celebrity endorser towards customer preference.

1.5 Research Hypothesis

H1: Trustworthiness of the celebrity gives positive influences towards customer preferences on choosing beauty product.

H2: Expertise of the celebrity gives positive influences towards customer preference on choosing beauty product.

H3: Physical attractiveness of the celebrity gives positive influences towards customer preference on choosing beauty product.

1.6 Scope and Limitations of the Study

This study is about the influences of Malaysian celebrity endorsement towards consumer brand preferences on local beauty products. Celebrity endorsers are consist of actors, singer, comedian, entrepreneur and much more. In this research, I will choose the local beauty product that hiring whom who from entertainment arena as their celebrity endorser. This study will be conducted in Malacca area. This is because there a lot of shopping mall and retail shop that sell beauty product. Furthermore, it is easy to do this

research. I will distribute survey to the consumer of beauty products in several drug stores. This study is on the influences of Malaysian celebrity endorsement towards consumer brand preferences of local beauty products.

Limitations of study

Since the study will use questionnaire as a research instrument, it is not guaranteed that all of respondent will have the similar understanding when answering the question. Actually the quality of understanding will be really depends on the easiness of questions and the level of education of respondents. Even though respondent has adequate education to answer, it is not also guaranteed that they will answer sincerely and honestly.

1.7 Significance

From this study, customers of local beauty products will identify what is the influences of celebrity endorsement towards customer brand preferences on local beauty products. It will give a good contribution to the company by improving their decision making process in choosing the right celebrity endorser to endorse their product. Besides, this research will helps the marketers to know the things that gives customer awareness towards message delivered by the endorser.

CHAPTER 2

LITERATURE REVIEW

2.1 Celebrity Endorsement

Celebrity Endorsements act as a credible means of “money burning”. Social standing people want to wear the “right” clothes, drink the “right” beverages and use the “right” fragrances (Dugar, 2013). The effectiveness of an endorser is related to the message itself. For instance, when the message comprehension is low, receivers are relying on the credibility of the endorser in forming attitudes towards product. While the comprehension of product is high, the expertise of celebrity endorser is giving less influences on receiver’s attitude. \

According to associative learning theory, the synergy between the endorser and the type of product or service advertised is very important because celebrities are conditioned with the products they promote. A recent study showed that when there is an appropriate fit (or belongingness) between celebrity and the product endorsed the conditioning will be more effective, robust, and enduring (this synergy also termed *the match-up hypothesis*). (Schiffman & Kanuk, Wisenblit, 2010)

Celebrity endorsement is more likely to be observed for those products having a high price- production cost margin and on a large customer base. Celebrity endorsements are typically more targeted towards nationally marketed products than for

local or niche market products and also for products such as running shoes, soft drinks etc. that is for those products where the price cost margins are apparently large (Dugar, 2013). Advertisers believe that the use of a celebrity affects advertising effectiveness, brand recall and recognition, as well as purchase intentions and follow-through (Spry et al., 2011). Companies use a celebrity endorser when the person's stamp of approval enhances the product brand equity. Celebrities can also help create emotional bonds with brands. Transferring the bond exists between the celebrity and the audience to the product being endorsed is the objective.

A survey revealed that 30 percent of 18-to-34-year-olds would try a product promoted by a celebrity. This survey also indicated that younger people tends to recommend a celebrity-endorsed product to other compared to older consumer. Still, many advertisers believe that celebrity endorsements improve brand awareness and help define the brand's personality (Shimp, 2010).

There have three variation of celebrity endorsement, which are: (1) unpaid spokespersons, (2) celebrity voice-overs, and (3) dead-person endorsements. *Unpaid spokespersons* are celebrity supporting a charity or cause by appearing in an ad. These types of endorsements are highly credible and can entice significant contributions to a cause. Politicians, actors, musicians and athletes all appear in these ads. Next, many celebrities also provide *voice-overs* for television and radio ads without being shown or identified. Listeners often respond to the ads and try to figure out who is reading the copy. Agencies may use a voice-over because celebrity provides a quality voice to the advertisement even when individuals listening to the ad did not recognize the voice. Lastly, the *dead-person endorsement* occurs when a sponsor uses an image or past video or film featuring an actor or personality who has died (Shimp, 2010).

Based on previous analysis, most of studies it is supported that celebrity endorsers have positive influence on purchase intentions. Several studies support that similar ethnic group celebrities are effective on purchase intention. On the basis of celebrity cultural similarity and intense attachments with celebrity and number of successful