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2017

UTeM

THE EFFECTS OF CELEBRITY ENDORSEMENT  
ON CONSUMER BEHAVIOURAL INTENTION  
AMONG YOUTH IN MALAYSIA

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## **SUPERVISOR'S AND PANEL APPROVAL**

I hereby acknowledge that I have read this works and in my opinion this works is sufficient in terms of scope and quality for the submission and award of a Bachelor Degree of Technology Management (High-Technology Marketing) with Honors<sup>c</sup>

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THE EFFECT OF CELEBRITY ENDORSEMENT ON CONSUMER  
BEHAVIOURAL INTENTION AMONG YOUTH IN MALAYSIA

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This Report Submitted In Partial Fulfillment of The Requirements For The Award  
Bachelor of Technology Management (High Technology Marketing) With Honors

Faculty of Technology Management and Technopreneurship

Universiti Teknikal Malaysia Melaka

JUNE 2017

## DECLARATION

I hereby declare that this thesis entitle “The Effects Of Celebrity Endorsement On Consumer Behavioural Intention Among Youth in Malaysia” is my own work except for the quotations summaries that have been duty acknowledged”

Signature :

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## **DEDICATION**

I dedicated this research to my family and supervisor and also my friend, who taught me to think, understand and express. Thank you for motivation, inspiration and guidance to pass through the process of this research.

## ACKNOWLEDGEMENT

Firstly I would like to express my grateful to my parents for their support and love to motivate me in completed this final year project. Next, I sincerely appreciate and thanks for the help, teaching, monitoring, support and contribution to my beloved supervisor Pn Mariam Miri Binti Abdullah who teach me the right ways to write a thesis, point out my mistake and help me get a better understanding about my topic in conducted this research.

## ABSTRACT

The celebrities endorsement is a marketing tool used by companies to their promote products and services to attract and build the customer relationships. The purpose of celebrities' endorsement is to make the product or service get a noticeable from the consumer. Today, we can see more company will choose celebrity to endorse their product or service company do not realize that celebrity endorsement are overshadow the product or service endorser. The objective of this study is to identify the characteristic of celebrity endorser in advertisement and analyse the perceived fit between celebrity endorser and product endorsed in advertisement. This research using quantitative method to conduct the research because need to distribute the questionnaire for large number of respondent relate with this study. The type of questionnaire is close-ended question in form of Likert scale question and categorical scale question. From this study, the research find the solution to decrease of overshadow product by the celebrities and help the organization to using the right celebrities endorsement in order to promote their product or service. In the end of the research, the researcher discovers that consumer in Malaysia considers the fit between celebrity and product endorsers are important criteria when purchasing a product or service from marketer.

*Keyword: Celebrities Endorsement, Consumer Behavioural Intention, Advertisement,*

## ABSTRAK

Pengendoran Selebriti merupakan alat pemasaran yang digunakan oleh syarikat-syarikat untuk mempromosikan produk dan perkhidmatan supaya mereka dapat menarik dan membina hubungan diantara pelanggan mereka. Pengendoran Selebriti bertujuan menjadikan produk dan perkhidmatan mendapat perhatian daripada pengguna. Hari ini, kebanyakan syarikat akan memilih selebriti untuk mengendorse produk atau perkhidmatan tetapi mereka tidak sedar bahawa produk atau perkhidmatan mereka akan dibayangi oleh pengendoran selebriti yang mengendorse produk mereka. Objektif kajian adalah mengenal pasti ciri-ciri endorser selebriti dalam iklan dan menganalisis kesesuaian diantara selebriti antara product yang diendorser oleh selebriti dalam iklan. Kajian ini telah menggunakan kaedah kuantitatif untuk menjalankan penyelidikan kerana keperluan untuk mengedarkan soal selidik kepada golongan responden yang besar berkaitan dengan kajian ini. Jenis soal selidik adalah soalan tertutup dalam bentuk soalan Likert skala dan soalan categorical skala. Daripada kajian ini, penyelidik dapat menemui penyelesaian untuk mengurangkan produk yang dibayangi oleh pengendoran selebriti dan membantu organisasi untuk menggunakan pengendoran selebriti betul untuk mempromosikan produk atau perkhidmatan mereka. Di akhir kajian, penyelidik telah menemui bahawa pengguna di Malaysia akan mempertimbangkan kesesuaian antara selebriti dan endorser produk merupakan kriteria penting apabila membeli produk atau perkhidmatan daripada pemasar.

*Kata kunci: Selebriti Pengendoran, Niat Tingkah laku Pengguna, Pengiklanan,*



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**LIST OF ABBREVIATIONS AND SYMBOLS**

SPSS	= Statistical Package for Social Science
H1	= Hypothesis 1
H2	= Hypothesis 2
H3	= Hypothesis 3
H4	= Hypothesis 4
R	= Pearson Correlation Coefficient
R <sup>2</sup>	= R square
Adjusted R <sup>2</sup>	= Adjusted R square
%	= Per cent
≤	= Greater than
≥	= Less than
=	= Equals
Sig	= Significant

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## CHAPTER 1

### INTRODUCTION

#### 1.1 Introduction

Brand is a name, term, sign, symbol, or design, or a combination of them intended to identify the products and services of a dealer with a group of other trade and differentiate them from their competitors (Aaker, 2009). They can be applied to the entire corporate identity as well as to individual product and service names. Celebrity endorsement is a marketing tool used by companies to promote their products and services to attract and build customer relationships (Vaage-nilsen, 2013). However, until now researchers have not provided a conclusive picture of how celebrity endorsement works. Celebrity endorsements is a form of advertising campaign or marketing strategy used by brand, company, or a non-profit organization involving celebrities or famous people to promote their products, services or even increase the awareness of environmental matters or social.



Nowadays, people are likely to ignore commercial that which featuring non-celebrity person. But on the hand, if it featuring a well knows celebrity, the consumer will likely to notice especially if he or she is currently on the top of the list in the celebrity society. Thus, the companies take this opportunity by hiring celebrities to be the endorse for their product or brand due to the acceptance of market toward celebrity endorsement in advertisement and their impact on overall brand is of great significance (Kasana & Chaudhary, 2014). The use of celebrities is believed to help consumers to remember the message of the advertisement and the brand name the celebrity is endorsing.

The effectiveness of the celebrity endorsement depends on three constructs including expertise, attractiveness and trustworthiness (Zipporah & Mberia, 2014). Besides that, according to Sabunwala (2013), some customers are comfortable with celebrity credible and reliable, some customers are more comfortable with a celebrity who has attractive personality and attitude, there are people who also comfortable with both of these dimensions. The use of celebrities as endorser for the product or service is an effective way to promote a product or service because they are viewed as highly trustworthy, believable, persuasive, and likeable. Besides that, companies can evaluate and identify a celebrity endorser that fix for the product and their brand through this research. Endorsers are someone must have quality and distinctive attractions as the ambassador of a product that can bring the good image of product and name of the company. This is to prevent users from confused with what is trying to be introduced by the company in their advertising and promotion.

Celebrity associated with positive information had a great opportunity to attract the attention of customers while the celebrity associated with negative information can reduce trustworthiness of a celebrity and also the fit with the brand on celebrities (Dimed & Joulyana, 2005). Besides that, we also try to determine how to create endorsement a win-win situation for the brand and celebrity through celebrity endorsement. In this research, the aim is to examine the effects of celebrity endorsement on consumer behavioural intention among youth in Malaysia. Which is celebrity bring the positive advantages to the company product or otherwise

In the era of globalization today consumers are exposed to thousands of voice and images in magazines, newspapers, and on billboards, websites, radio and television (Kasana & Chaudhary, 2014). An advertiser should present the uniqueness of their product compare to their rival in the market. Due to the saturation of information in mass media companies need do something to attract consumer's attention such as celebrity endorsement.

## **1.2 Problem Statement**

Celebrity endorsement is a form of advertising campaign used by brand or company on their organization featuring celebrities or famous person to promote their product or service to increase awareness of environmental or several issues. celebrities are those who receive public recognition from particular groups of people (Schlecht, 2003) there are consist famous people from the art world modelling, sports and entertainment industry. The purpose of celebrity's endorsement is to achieve awareness of product or service to the consumer.

Celebrity endorsement is the effective way in promoting a product and service because consumer will be more awareness about the product due to product endorsement by well-known celebrity. However, the problem is when a company has a close relationship with the celebrity, the user will pay more attention to celebrities compared to the products or services that are promoted by the company (Dimed & Joulyana, 2005). Therefore, its possible occurrence the celebrities overshadow the brand and thus impair brand recall among the consumer. Practitioners refer to overshadow as a the vampire effect, which means a decline in brand recall as the stimulus to use celebrity endorsement advertising compared to advertising which uses a stimulus that is not known but just as interesting (Erfgen, Zenker, & Sattler, 2015). For example, Air Jordan's generated revenue sales of \$130 million in the first year.

The sales dropped miserably in the second year when Jordan missed 62 games due to a broken foot.

Another problem is the celebrity are endorsing of multiple brand or product more than four product will negatively influences the celebrity spokesperson's credibility, expertise, trustworthiness and likeability. This is because the lack of distinctive character, with one famous person enduring some of the focus on product and represents a particular brand (Khatri, 2006). For example Ziana Zain, the singer, is an ambassador for Omega watches and jewelry and Nutribeaute Golden Channel, a supplementary food for youthful by Total Image. Wan Ismail or Chef Wan, Malaysia also approved a favourite chef Marina (sardines) and Vesawit (cooking oil). Chef Wan is also known for his talent in cooking and serving. Furthermore, Norman Hakim an actor and advertising model also endorser more than a particular brand such as Nescafe (coffee), Hong Leong Finance (bank) and Windfield (cigarettes) (Rashid, Nallamuthu, & Md Sidin, 2002).

In Malaysia, there are many celebrities that are been endorse the local product or foreign product. For example is Dato Lee Chong Wei for Adidas, Nora Danish for Oppo, Siti Nur Haliza for Vivo, Nur Fazura for Lux, Aaron Aziz for Yoghurt and Remy Ishak for Dashing. Celebrity's endorsement is supposed to make the product or brand being aware among the consumer. However, in reality celebrity endorsements bring the problem to company which is they are overshadowing a product.

In order to overcome the problem of overshadow and to increase the effectiveness of celebrity endorsement this will try to explore what are the factor contribute to consumer attention toward celebrities endorsement.

### **1.3 Research Questions**

1. What are the characteristics of celebrity endorser in advertisement?
2. What is the effect of fit between celebrity endorser and endorsed product on consumer behavioural intention toward advertisement?
3. What are the effect of celebrity endorse characteristics on consumer behavioural intention toward advertisement?

### **1.4 Research Objective**

Based on the problem statements stated above, the research objectives are:

1. To identify the characteristics of celebrity endorser
2. To analyse the perceived fit between celebrity endorser and product endorsed in advertisement on consumer behavioural intention towards advertisement.
3. To examine the relationship between celebrities endorsement characteristics and consumer behavioural intention toward advertisement.

## 1.5 Scope of Research

Lately, companies in Malaysia often hired famous people like celebrities, athletes, politicians and public figure as an endorser of the product or service to advertise their brand to attract the attention of consumers. This is because the density of information in social media or print media resulted in companies using celebrities to get the consumer's attention. Therefore, the purpose of this research is to identify the impact of celebrity endorsements on behavioural intension among youth in Malaysia

To carry out this research, the scope of research needed to be done in order to make this research more thoroughly and specific such as where the research was conducted, who were involved in this research, and industries were involved. This research will focus on Youth in Malaysia by distributing questionnaires and online questionnaires to collect data of the effects of celebrity endorsements on consumer behavioural intension towards advertisement. Meanwhile, the focus industry of this research are on the attire, cosmetic, sports, food and beverage be choose for this research due to company always use the celebrity endorsement on the their advertisement or commercial in this industries.

In conclusion, this research is needed to have the scope of because it will make the researcher be more specific about the research, industry involve and respondent so the researcher had the limitations and also have the guideline according to the research that been working on.

## 1.6 Importance of Research

Every researches conducted must have goals, interests, and reasons that cause a person to do an investigation of a case. As all know, a celebrity is someone who is well known people and has a strong influence in their communities is particularly suitable for use in promoting the brand and the product because it can build confidence, charm, and value of the product or service.

The importance of conducting this research is to investigate the extent of celebrity endorsement can attract consumers to buy and use the products or service that are offer by the company among the youth. Besides that, this research also will analyse the perceived fit between celebrity endorser on product endorsed to see whether consumer behavioural intention toward advertisement. For instance, the Malaysian badminton player Datuk Lee Chong Wei endorse a the badminton shoes for brand of Yonex (Freeman & Chen, 2015). From that, marketer can used or adopt this research as a reference to construct their own research.

In conclusion, this is important to company to make the research first before choosing a celebrity as an endorser in order to promotion the product and their brand in the advertisement so that the company can choose a suitable endorser to represent their product or service.

## **1.7 Limitation of Research**

Limitation is the things or events or problems that arise when conducting research they are beyond the control of researchers. They limit to a study of the extent to which research can be carried out. Furthermore, every study has limitation no matter how well it is conducted and constructed (Simon & Goes, 2013).

Every research has its limits as well as this research. This research will be based on quantitative analysis and used survey method by questionnaires. However, the cost for conducted this research is quite high because of high number of respondent in this research.

Besides that, this study also had to be conducted to citizen over Malaysia so this research faced the time limited to collect the data from the respondent because of high number of respondent involve in this research.

## **1.8 Summary**

In summary, this research is conducted to examine the impact of celebrity endorsement on consumer behavioral intention among youth in Malaysia. This chapter including the introduction, problem statement, research question, research objective, scope of research, importance of research and limitation of research. This chapter also will be a guideline for this study in order to proceed in the chapter 2.

## CHAPTER 2

### LITERATURE REVIEW

#### 2.1 Introduction

Literature is a summary of the critical literature and the objective that has related with the topic of the research to be carried out for research. The aim of literature is to create ideas that are familiar with current thinking and the research on a particular topic and can be used in future studies to areas previously overlooked or understudied (Thompson Rivers University, 2016) The purpose of this chapter is to discuss the relevant literature in order to identify the impact of celebrity endorsement on consumer behavioural intension among youth in Malaysia. This enables the researcher to build a theoretical framework for testing. In this chapter, the researcher will also discuss clearly about the research.