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THE EFFECT OF MALAYSIAN CELEBRITY ENDORSEMENT ON
CONSUMER PURCHASE INTENTION OF SMARTPHONE BRANDS

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STUDENT DECLARATION

“I confirmed that this project is the consequence of my personal research excluding as cited in the references. This research project has not been for any degree and is not concomitantly submitted in candidature of any other degree.”

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DEDICATION

First at all, I feel so grateful because be able to complete my research project. I would like to dedicate the appreciation to my family members who support me in terms of spiritual and financial, my beloved supervisor and panel who always guide me all the way through the research. Finally, I would like to dedicate my thanks a lot to my friends and course mates that always assisted me and always give me a support of moral and help along the way for this research.

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ABSTRACT

Nowadays, the smartphone industry has growth with effective and also success to get in market of global for the long-term of year. Then, Malaysia also one of the country that contain more than 19.81 million of internet user for 2018. Hence, the purpose of this study is to investigate the characteristic of Malaysian celebrity endorsement on consumer purchase intention of smartphone brands. Furthermore, the aim is to identify the characteristics of celebrity endorsement with the four characteristics of celebrity endorsement which are physical attractiveness, expertise, trustworthiness, and product-brand congruence as independent variables and consumer purchase intention as dependent variable. Then, the quantitative research will be used for this research and will be distributed the questionnaire to consumer's smartphone in Malaysia. For this research, the questionnaire had been distributed to the 384 respondents that be selected to contribute in this research. The objective of this research is to determine the extent agreement among consumer of smartphones to the characteristics of celebrity endorsement, to analyze the relationship between characteristics of celebrity endorsement and consumer purchase intention of smartphone brands and to identify the highest characteristics of celebrity endorsement that influence consumer purchase intention of smartphone brands. Then, in order to gather the data and results, the researchers using the descriptive analysis, reliability analysis, Pearson Correlation Coefficient Analysis and Multiple Regression Analysis.

Key Words: Smartphone, Malaysian Celebrity Endorsement, Customer Purchase Intention

ABSTRAK

Pada masa kini, industri telefon pintar telah berkembang dengan berkesan dan juga berjaya untuk mendapatkan pasaran global untuk jangka masa panjang tahun ini. Kemudian, Malaysia juga merupakan salah satu negara yang mempunyai lebih daripada 19.81 juta pengguna internet untuk 2018. Oleh itu, tujuan kajian ini adalah untuk mengkaji ciri-ciri sokongan selebriti Malaysia mengenai niat pembelian pengguna jenama telefon pintar. Tambahan pula, matlamatnya adalah untuk mengenal pasti ciri-ciri sokongan selebriti dengan empat ciri-ciri sokongan selebriti yang adalah daya tarikan fizikal, kepakaran, kepercayaan, dan kongruensi jenama produk sebagai pemboleh ubah bebas dan niat pembelian pengguna sebagai pemboleh ubah yang bergantung. Kemudian, penyelidikan kuantitatif akan digunakan untuk kajian ini dan soal selidik akan diedarkan kepada telefon pintar pengguna di Malaysia. Untuk kajian ini, soal selidik telah diedarkan kepada 384 responden yang dipilih untuk menyumbang dalam kajian ini. Objektif penyelidikan ini adalah untuk menentukan sejauh mana persetujuan di kalangan pengguna telefon pintar kepada ciri-ciri sokongan selebriti, untuk menganalisis hubungan antara ciri-ciri sokongan selebriti dan niat pembelian pengguna jenama telefon pintar dan untuk mengenal pasti ciri-ciri tertinggi sokongan selebriti yang mempengaruhi pengguna niat pembelian jenama telefon pintar. Kemudian, untuk mengumpul data dan hasil, para penyelidik menggunakan analisis deskriptif, analisis kebolehppercayaan, Analisis Koefisien Korelasi Pearson dan Analisis Regresi Berganda.

Kata Kunci: Telefon Pintar, Endorsement Selebriti Malaysia, Niaga Belian Pelanggan

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LIST OF ABBREVIATIONS

ABBREVIATIONS	MEANING
UTeM	Universiti Teknikal Malaysia Melaka
SPSS	Statistical Package for the Social Science
ANOVA	Analysis of Variance
MRA	Multiple Regression Analysis
IV	Independent Variable
DV	Dependent Variable
TPA	Physical Attractiveness
TE	Expertise
TT	Trustworthiness
TPBC	Product-Brand Congruence

CHAPTER 1

INTRODUCTION

1.1 Introduction

This section arranges for a brief outline of the research presented in this study. And introduced the problem statement, research question, research objective, scope, limitation, significance of the research. The researcher also gives details the definition term of this study.

1.2 Background of The Study

Nowadays, a portable communication exists basically designed to become linked with the voice between two people. It's also contains more executing basic functions that against the time to changing needs of smartphone with the transformations to making its functionalities more increasing (Rahim, A., Safin, S. Z., Kheng, L. K., Abas, N., & Ali, S. M., 2016). In addition, life relates most to the use of smartphone where it's becomes the important thing that necessity to have for all level of ages. According to Lim, Kok-Siew, & Chan. (2013), digital media like as picture, music and videos also the basic features that contain in smartphones include it able to connect and access to internet. With the apps now already have in smartphone and the user will be more fast and accurate without need to waste the time and energy to search information. In daily life of people's, a mobile phone or smartphone is most important because it not again be regarded as luxury item or a status of symbol of needs and wants.

Furthermore, Ayodele, Adetola, & Ifeanyichukwu (2016), also mentioned that the devices of smartphones also allow the installation the data capabilities to runs an operating system and it also can run the third-party of application where it contain with a voice. Besides, with the little difference from their size between smartphones and computers because of their ability and source of internet. As mentioned by Lim, et al., (2013), Malaysia the popular of smartphone brands that success to sustain in market for recent years was include the brand of Samsung, Sony, Huawei, Apple, OPPO, Motorola and Xiaomi but unfortunately only the brand of Samsung or Apple get the peak of sale in Malaysia and not the others brand. The expected result show increasing internet user from Malaysia's smartphone user from 47 % to 73 % at that time. But, them also had face with the threatened from the phone company from China that have offered the lower price than them.

The effective of the tool of marketing also has been practical by Malaysia for certain brand in order attract customer to buy it. In addition, the consumer can create the better life with share the value and compare with another companies to look on social networks and find the information on with the smarter of smartphone. According to Park, Jun, & Lee, (2015) in the smart age like now, the existed of smartphones have change the everyday life of consumer and the consumer behaviour. In world of smartphone market, Apple has been stepped by Samsung with success in the third quarter of 2012. It's was because among that smartphone of Apple and Samsung there have strongest competition. Then, there have stated by firm Pew Research Center refer to Online (2018), that Malaysia is the nations that has recorded the maximum number of people with the high number of smartphones occupying the 10th place in the world and Malaysia is also among the top countries of the gadgets with penetration rates up to 65%. While, in the world, the Malaysian population is one of the highest smartphone users and it covers all ages regardless of youth until adulthood, but with the addition of high smartphone sales it also has an insignificant negative impact on consumer addiction in Malaysia.

Then, in Malaysia, the preference a celebrity as endorser also be consider by the several factor before decide to take she or he as endorsement for their brand. Hence, according to (OPPO Malaysia, 2017) refer from OPPO's article, the OPPO R9s is rather special because the local actor chosen to be the endorsement of the product is a celebrity who is on the rise now Fattah Amin. Besides, Vivo also selected Alvin Chong as one of the representatives for it brand. His was chosen because he started begin to impress the Malaysian entertainment enthusiast with his character in the drama of 'Suri Hati Encik Pilot' and 'Awak Suka Saya Tak'. The progressive young star also has a persona that suitable into the character for vivo brand.

1.3 Problem Statement

Now, the advances of technology have become an important part in our lives especially for smartphones' consumer. From, the advances of technology also have further minimised towards smartphones because the definition of 'world is at your fingertips' become famous to be use today. Since few years ago, the smartphone industry has risen sharply in the country. This is due to the huge arrival and various smartphone brands have been introduced into the market in Malaysia, including Apple, OPPO, Xiaomi, Samsung, Lenovo, Huawei, Asus and more.

Based on the explanations in problem statement, there are many celebrities in the world that be endorsed for any product. Then, according to Hollensen & Schimmelpfennig (2013), celebrities that are be select are confidently have to provide a positives image for the diversity of products to securities the amount of attention from consumer and get the higher recall for the brand and credibility for product. Then, the well-known celebrity should be tightening with the public figure to attract consumer. While, Eyitayo (2017) mentioned that the success of celebrity as endorsement arrangement for the products depend on its characteristics such as the expertise, attractiveness, trustworthiness and likeness in order to enter consumer minds. Then, in order to increase the sale and market shares for the product, the marketing should have select the celebrity that are most likeable in consumer mind.

Therefore, with the recent years, most of manufacturer of smartphone focus on spending more money to produce a smartphone that more interactive and user friendly in market. Then, according to Vishesh, Mittal, & Bali, (2016), the usage of smartphone has change with drastic and to change their lifestyle, consumer will purchase the smartphone at a notable pace and it will increase the competition in the market. It happens when in market, the Samsung and other brands success replace the positioning of Nokia. Because of that, the speed of introduction of smartphone with almost every year the other brand launching more than 10 new model has gone up extremely. For example, the brand of Samsung, Apple and Xiaomi at least introduction 1 or 2 new model such as Xiaomi Mi6, Samsung S9 and iPhone X separately in the same year.

In order to identify that company can influence consumer purchase of smartphone better than their competitor there must have some factors. So, as mentioned by Sata (2013), normally the factor that influence consumer related with the different features smartphone for instance the feature, price and more also can be the factor that attract consumer purchase intention not only because of the characteristics of celebrity. In addition, as stated by Rahim, A., Safin, S. Z., Kheng, L. K., Abas, N., & Ali, S. M., (2016) in the studies show that the development of smartphones in market show the tremendous and drastic change for the industry of smartphone. And the existence of new model for smartphone in the market also increase the competitive advantage among competitors. The competition in industry of smartphone become increase in the recent past as more competitor success to get in the market.

In addition, Olenski, (2016) has stated the great potential effect towards product sales use only one's celebrity as endorsement that well-known can make an increase in sales for product such as smartphone brands. In business it would be difficult to resist the simple exploration of the influencers by celebrity to promote their product and brand. Then, according to Choy (2013), nowadays consumer believe more on the brand equity and the consistent of the brands. Because of that, the past studies also state that brand of China mostly offer the low of price and quality with that it shows the improvement from side of economy and changed and drop the perception of consumers. It because the brands of Xiaomi and Lenovo from China success sustain

in market of Malaysia, but their position still cannot compare with the famous of brands like Samsung and Apple.

Moreover, with large numbers of opportunities might increase the intention of consumer to purchase the smartphone brands, it is essential for marketers to understand which impact on the purchase intention. Hence, this study is to determine the effect of characteristics of Malaysian celebrity endorsement influence consumer purchase intention. So, this will enable the organization for industry of smartphone to gain more information to be compete with other competitor in order to maintain sustain in market and increase the purchase intention of consumers.

1.4 Research Question

The research questions generated based as of problem statement that need to be explain by the researcher as per below:

1. What is the prevalence of consumer purchase intention among consumer of smartphones?
2. What is the relationship between characteristics of celebrity endorsement and consumer purchase intention?
3. What is the highest characteristic of celebrity endorsement that influence consumer purchase intention of smartphone brands?

1.5 Research Objective

This study emphasizes the effect of Malaysian celebrity endorsement on consumer purchase intention of smartphone brands are goes to gather the extra info about to issue. So, the subsequent for research objectives for this study are:

1. To determine the prevalence of consumer purchase intention among consumer of smartphones.
2. To analyze the relationship between characteristics of celebrity endorsement and consumer purchase intention of smartphone brands.
3. To identify the highest characteristics of celebrity endorsement that influence consumer purchase intention of smartphone brands.

1.6 Scope of The Study

This studies seek that researcher have focuses on select a number of locations and area to carry out the task in order to get the suitable and right respondents. And selection for this study is targeted among consumers of smartphone in Malaysia. It because the user of smartphone mostly involves all the level of age from teenagers to adult's people. So, this study is conducted to all consumers to make it easy gather the data and with that respondent can understand the questions that have provided. Then the focus of this study is to examine the relationship between independent variables of physical attractiveness, expertise, trustworthiness and product-brand congruency influence consumer purchase intention of smartphone brands.

1.7 Significance of The Study

Then, the significance of the study is important for analyse the characteristic of celebrity endorsement and its impact on the consumer purchase intention in certain smartphone brands. In addition, it also to investigate the consumer perception on celebrity endorsement to purchase smartphone among the user of smartphones. Because the smartphone was famous devices of technology, then this study focuses on smartphones brand because that have performed many of their functions to maintain in market. Besides, the relevant factors have provided to improve the desire of consumer to purchase and increase the business in growth of smartphone in consumer minds.

In addition, the smartphone business can have the better understanding about the knowledge and information about the factors to creates the awareness on consumer purchase intention of smartphone brands. Then, the marketers should provide the great strategies for development of smartphone in order to meet the consumer needs and wants. Because in fact, the marketer of smartphone can get more profit in their sales with create the effective method to attract consumers. According to Cecere, Corrocher, & Battaglia, (2014) the fastest growing market section in the industry have signify the arise of smartphone in market as standard structure for it devices. With the new product that have made particularly change of dynamic for this industry, it concentrated more in market share to industry.

Last, this study also provides a new concept for industry smartphone to sustain in the market even there are many competitor of brands for smartphone existed in Malaysia. With that, they can defend their industry to increase the sales and gain more profit in market from new and existed competitors in order to entry new market. While, the attention and importance of smartphone to all generation is rapidly growth from year to year so the firm of smartphone could reserve and provide a good product for their consumer with the understanding the key factors in this study to increase consumer purchase intention. This study also need to satisfy the needs and wants of consumer for the brands of smartphone because the process of purchase smartphone getting more intense with the involve of complexity features.

1.8 Summary

In this chapter, this study is to converse approximately the research problem, research question and try to identify the research objectives of the effect of Malaysian celebrity endorsement and the factors that affect consumers' purchase intention of smartphone brands. Other than that, this chapter provided an introduction for the research topic and the background of the study. The scope, limitations and importance of research were covered by this chapter. Researcher would base on these introductions and carried on to second chapter which discussed about the part of literature review.