

**EFFICIENCY OF CELEBRITY ENDORSEMENT ON CONSUMER BRAND
LOYALTY: MALAYSIA SPORT INDUSTRY**

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DECLARATION OF ORIGINAL WORK

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DEDICATION

I would like to dedicate the appreciation to beloved parents who supported me from spiritually and financially. A special thanks to my supervisor and panel who guided me throughout this research and also thanks to my friends that helped and assisted me through the journey of research.

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Abstract

Nowadays, celebrity endorsement is the common advertising strategy to advertising product especially in the Malaysia sport industry. From consumer perspective, customer want to own the brand that have a good reputation in the market. When the brand are involve the well-known celebrity, it become more alluring and consumer feel that by using particular brand they will gain some status because celebrity endorsed products satisfy this longing of enjoying a brand that come with the symbol of the status and lead to the brand loyalty. Quantitative research was used to conduct this research. This research is found out what component of celebrity will affect the consumer brand loyalty in Malaysia sport industry and this study had adopted Ohanian Model theory where the Celebrity Attractiveness, Celebrity Trustworthiness and Celebrity Expertise were the focused factor. There are total 385 respondents who live Selangor and Kuala Lumpur area were participated in this research using the convenience sampling technique. Software Package for Social Science (SPSS) was used to analyse the collected data. The data analyze that conducted in this study were descriptive analyse, Pearson correlation and multiple regression analyse to describe the variable numerically and found out the relationship between the independent variables and dependent variable. The result shows all of the factors that proposed had significantly influence consumer brand loyalty toward the sport product. Celebrity Expertise was the most influencing factor and the entire research objective had been achieved in this study. The finding would contribute for practitioners to have a clear understanding especially for the marketers and advertiser.

Keywords: Celebrity Endorsement, brand loyalty, SPSS,

Abstrak

Pada masa kini, penggunaan selebriti sebagai alat pengiklanan untuk mengiklankan produk adalah strategik yang biasa digunakan di Malaysia. Dari segi pandangan pengguna, pengguna mahu memiliki produk yang mempunyai reputasi yang baik di pasaran. Apabila suatu jenama produk melibatkan selebriti yang terkenal, ia akan menjadi sesuatu tarikan dan pengguna akan berasa mempunyai status yang berbeza apabila menggunakan jenama product tersebut. Ini kerana penggunaan selebriti dalam pengiklanan produk akan menyebabkan pengguna tertarik kepada produk tersebut dan secara tidak langsung menghasilkan kesetiaan pengguna terhadap jenama produk tersebut. Kaedah kuantitatif telah digunakan untuk mengumpul data dan kajian ini adalah untuk mengkaji faktor-faktor yang mempengaruhi kesetiaan pengguna dalam produk sukan di Malaysia. Kajian ini menggunakan teori daripada Ohanian Model. Daya tarikan selebrity, Kepercayaan selebriti dan kepakaran selebriti adalah faktor yang difokus dalam kajian ini. Sejumlah 385 responden yang tinggal di kawasan Selangor dan Kuala Lumpur telah menyumbang dalam kajian ini dengan melalui teknik persampelan kemudahan. Kajian ini menggunakan analisis deskriptif, korelasi Pearson dan analisis regresi berganda sebagai teknik-teknik menganalisis data. Teknik ini digunakan untuk menerangkan pembolehubah berangka dan mengetahui hubungan antara pembolehubah bebas dan pembolehubah bersandar. Hasil daripada kajian menunjukkan semua faktor mempengaruhi kesetiaan pengguna dalam produk sukan di Malaysia. Faktor yang paling mempengaruhi kesetiaan pengguna dalam produk sukan ialah daya tarikan selebriti dan semua objektif kajian telah dicapai dalam kajian ini. Hasil kajian ini menyumbang kepada pemasar dan pengiklanan supaya mereka mempunyai kefahaman yang jelas dalam bidang ini.

Kata Kunci: Penggunaan Selebrity, Kesetiaan jenama, SPSS

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LIST OF ABBREVIATIONS

CA	=	Celebrity Attractiveness
CBL	=	Consumer Brand Loyalty
CE	=	Celebrity Expertise
CT	=	Celebrity Trustworthiness
SPSS	=	Statistical Package for the Social Science

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CHAPTER 1

INTRODUCTION

1.1 Background of Study

In the past, mostly TV star, movie star and singer used to be labelled as the celebrity but these days any person who is fruitful and extraordinary in any control can be categorized as celebrity (McCracken, 1989). Celebrity endorsement had been recognized as common strategies in current marketing trend, which can be demonstrated by the measure of cash spend in superstar underwriting publicizing. Worldwide marketers considered celebrity endorsement are an effective tool. Celebrity endorsement is being using around the world to promote good and service. In an addition, with the quick development of electronic media which nearly can found in each home, the utilization of celebrity endorsement underwriting get progressively famous.

Approximately 25% of prestigious endorsers show up in all of type media plug to increment and advance distinctive item, brand and information, roughly 10% of publicizing spending plan was spend on famous celebrity (White, Goddard, & Wilbur, 2009). According to Erdogan, Baker and Tagg (2001), nowadays marketing manager become more difficult to capture customer attention and they looking for the celebrity to attract customer attention and communicate their message to customer. Moreover, celebrity endorsement has the influence to initiate, stimulate, notify, infuriate, amuse and notify the customer (Sajan & Nehru, 2014). Furthermore,

Patel (2009) stated celebrity endorsement was the money making promotional tool for advertisers brand and service. There are 25% of television advertisement in Asian countries had a celebrity endorser in 2001 and this number increase to 62% in 2008.

According to Anon (2011), approximately there are 56% of Malaysians are happy to spend on their admire celebrity while 30% spend the money on the product that endorsed by the celebrity. In Malaysia, companies spend millions on celebrity endorsement (Tan, 2011). This practice have convince the belief that the positive characteristic and attributes of celebrities will transferred to associated product (Anon, 2011). Boyd and Shank (2004) stated that big name images can be found in print material, radio and almost 20% of all TV ads.

Buyers have been presented to enormous number of brand decision in the current business environment. According to Fisher (1985), marketers are compete each other from grabbing off customers complain that just doesn't seem to be as much brand loyalty around as there used to be. The meaning for the complaint is not easy to maintain customer loyalty to the company product because there are many reason cause the consumers to choose another brand product (e.g., the consumer demand for the variety of choice, etc) (Choong Lyong Ha, 1998).

Brand loyalty becoming extremely important in current competitive market and the marketers will try as hard as possible to archives customer brand loyalty since they are the great resources of possible income (Ingemansson Viktor, Nilsson Isac and Vllasalija Dasaret, 2015). Every brand should have priorities the consumer loyalty towards you brand product because those customer are the great resources of the income.

1.2 Problem Statement

According to Mallory Schlossberg (2016), Celebrity brand endorsements are unsafe business in light of fact that the expenses of endorser are increase dramatically. Michael Phelps has made \$12 million in one year according to Time. When the celebrity endorsements go right, they will be a powerhouse tool. Celebrity endorsement will add value to the product and bring in more “color” in promoting their product.

During 8 month-period in 2008, Nike invested \$192 million in endorsement deals with National Basketball Association (NBA) rookies LeBron James (\$90 million) and Carmello Anthony (\$15 million); NBA star Kobe Bryant (\$45 million); tennis star Serena Williams (\$40 million); 14-year old U.S. soccer talent Freddy Adu (\$1 million); and Canadian world champion hurdler Perdita Felicien (\$1 million) (Thomaselli 2004). In 1986, approximately \$100 million companies paid for endorsements, licensing rights and advertising and this amount increase \$1 billion ten years later as expenditure athlete endorsement have increase dramatically to around \$1 billion.

. Khong Kok Wei, Wu and You Li (2013) stated that the usage of celebrity endorsement involves huge cost and does not guarantee the marketing promotion success immediately. The risk for celebrity endorsement is the celebrity behavior might impact the brand if any controversial and scandal involves the celebrity (Lee Kian Seong, 2009). Therefore, there will always be a risk that the brand image may be damaged by negative celebrity advertising.

According to The Star (2009), due to the economic crisis, the endorsement had been reduce and it is very important for the celebrities to take care their image in the market to keep the popularity and the value. Brand becoming more increasingly awareness because of the power or and value added by celebrities in endorsing their products especially due to the recent economic downturns.

Muhammad Amir Adam and Nazish Hussain (2017) cited that from buyer point of view customer need to possess a brand with a decent notoriety on market

and when the brand that involves the well-known celebrity. It get more attractive and consumer feel that by using particular brand that endorse by celebrity they will gain some status because celebrity endorsed products satisfy this desire to enjoying a brand that come with the symbol of the status. In order to gain the brand advantage and edge over their competitor, marketers have used the celebrity to endorse on their product.

In this research, the researcher will explore what type of celebrity endorsement attribute that create brand loyalty among consumer in Malaysia sport industry

1.3 Research Objective

The role of celebrity endorsement is getting viral as marketing tools for sport industry. It is essential for marketer to study more on celebrity endorsement and its component to gain better understanding which component is the most important influence the consumer brand loyalty. The objective of the research as below:

1. To identify the components of celebrity endorsement on consumer brand loyalty in sport product.
2. To analyze the relationship between components of celebrity endorsement and consumer brand loyalty on sport product.
3. To propose the framework of celebrity endorsement component towards brand loyalty on sport product.

1.4 Research Question

The question intended to be answers in this study are based on the research objectives:

1. What are the components of celebrity endorsement influence consumer brand loyalty in sport product?
2. What are the relationship between components of celebrity endorsement and consumer brand loyalty in sport product?
3. How celebrity endorsement component influence consumer brand loyalty on sport product?

1.5 Scope of Study

The research only focuses on component of celebrity endorsement that affect consumer brand loyalty on sport industry. The target respondents were public in Selangor and Kuala Lumpur city. The survey form will distribute to any people who is 18 year old and above.

1.6 Limitation of Study

The research limitations are time limitation and geographical factor. There is insufficient time to complete the data collection. In an addition, the research is going to conduct in Kuala Lumpur, Selangor. Therefore the data collection for this research will be limited and data applicable only for a specific area.

According to McLeod and S.A. (2014), the greater part of the general population might want to show a positive picture and this reason they may be lying or curving reality to look great and the respondent may lie because of social attractive quality. Lastly, the limitation in this research was the language issue where

the questionnaire were only designed in English. This method has caused some time delay due to some respondent are curious with meaning of the question. Therefore, researcher need to take time to explain the statement one by one by using Malay language or Chinese language.

1.7 Significant of Study

Every researches conducted must have goal, interest, and reason that cause a person to do an investigation. As mention before, celebrity is someone who is well known people that has a strong influence in communities. Celebrities are suitable for use in promoting the brand the product because it can build confidence, charm and value of the product and service

The importance of conducting this research is to investigate the characteristic of celebrity endorsement that affect consumer brand loyalty to use the sport product.

CHAPTER 2

LITERATURE REVIEW

2.1 Celebrity Endorsement

The general populations who are broadly perceived by certain gathering individual are known as celebrity and they have an extraordinary characteristic such as attractiveness and trustworthiness (Silvera and Austad, 2004). According to Khong Kok Wei Wu (2013), Celebrity endorsement defined as a famous marketing strategy to making the product or service noticeable, attractive and impressive to consumer. Therefore many companies found out the celebrity endorsement are the important marketing communication tool (Soderlund, 2003). In an addition, Francis and Yazdanifard (2013) cited celebrity is the most influential and admired by the people especially the celebrities who are famous among the current generation and may affect the retail and brand association. More ever, Uttera and Ankita (2015) claimed that the consumer behavior can be plan and control.

According to Gincy, Jayashish and Mathew (2006), marketers had use the superstar as a specialized strategy for advertising a product or service which consumer can associate themselves with brand value from the perspective of the celebrity personnel. Furthermore, McCracken (1989) stated using a recognized and idolize people to advertise product or service is common phenomenon in the marketing history. By using Celebrity endorsement as the advertising tool, the company will achieve high awareness among the large audience and indirectly the market share will increase dramatically (Chabo D. and Saouma J., 2005).

Furthermore, celebrities can motivate wants, expectation and dream of customer (Rockwell and Giles, 2009).

In particular, a celebrity endorser should be highly visible and have a rich of potential useful associations, judgments and feeling. Ideally, a celebrity endorser would consider credible in terms of expertise, trustworthiness, and likeability or attractiveness, as well as having specific associations with potential product relevance. More ever, it is essential for the celebrity to be famous enough that the awareness, image, and response in choosing celebrity endorser for increase the brand awareness (Goldsmith et al, 2006).

Zipporah and Mberia (2014) cited the efficiency of the celebrity endorsement depends on the three structure which are expertise, attractiveness and trustworthiness. In an addition, some of the customer prefer with a celebrity who has attractive personality and attitude and some of customer comfortable with both of these dimension (Sabunwala, 2013). The effectiveness of celebrity endorser will vary from consumer to consumer since different the customer have different attitudinal disposition (Roy, Jain and Rana, 2013)

Endorsements arise at the point celebrity permits his/her name to show up for the benefit of an item or service that it may or may not be an expert (Bekk and Sporrle, 2010). There is few way celebrity endorsement advertising can executed. For example, a celebrity may appear in commercial or advertising using the product or brand of manufacturer. Furthermore, the celebrity may use the brand or product as testimonial and recommend the consumer to use it. Some celebrity endorsement involves celebrities giving the expert opinion and being a product spokesperson or merely related to the product (Thubelihle Ndlela, 2016).

According to Choi and Rifon (2012), when the consumers believe that the endorser reflects their idealized self-concept and self-image, the assessment of the advertisement will become positive and the customer buying intention will be increase. In an addition, the consumer set up to spend up to 20% on an item, depending on who endorsed the product. A worldwide audience is reaching new social media platforms such as Facebook, Instagram and Twitter as well as reality