THE IMPACT OF CELEBRITY ENDORSEMENT TOWARDS CONSUMER IN BUYING BEHAVIOR



THE IMPACT OF CELEBRITY ENDORSEMENT TOWARDS CONSUMER IN BUYING BEHAVIOR

NURUL SAKINAH BINTI IDRIS B061910351

This thesis is submitted in partial fulfilment of the requirements for the award of Bachelor of Technology Management (High Technology Marketing) with Honors



Faculty of Technology Management and Technopreneurship
Universiti Teknikal Malaysia Melaka (UTeM)

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APPROVAL

I hereby declare that I have read this report and in my opinion, this report is sufficient in terms of scope and quality as a partial fulfilment the requirements for the award of Bachelor of Technology Management (High Technology Marketing) with Honors

SIGNATURE :

NAME OF SUPERVISOR : DR. MURZIDAH BINTI AHMAD MURAD

DATE : 31/01/2023

SIGNATURE

NAME OF PANEL : DR. NURSAIBAH BINTI MANSOR

DATE : 31/01/2023

DECLARATION

I hereby declared that this thesis entitled

"THE IMPACT OF CELEBRITY ENDORSEMENT TOWARDS CONSUMER IN BUYING BEHAVIOR"

is the result of my own research except as cited in the references The thesis has not been accepted for any degree and is not concurrently submitted in the candidature of any other degree

SIGNATURE

DATE

NAME

: NURUL SAKINAH BINTI IDRIS

21/06/2022

DEDICATION

This research paper is wholeheartedly dedicated to my beloved parents, En. Idris bin Ishak and Pn. Salmah binti Wahab and my beloved sisters NurNaemah Syuhada binti Idris, NurHidayah binti Idris, NurAmirah binti Idris, NurAzimah binti Idris and NurFarahin binti Idris,

which is my main source of motivation, strength and care.

They always give us strength when we think of giving up, which continues to provide their moral, spiritual, emotional, and financial support.

To supervisors, family, my beloved sisters and friends who shared words of advice, encouragement, and support to complete this research project. Thank you for your time, money and support. I can't complete this research without all of you.

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ABSTRACT

This study examines the impact of celebrity endorsement on consumer buying behaviour. A celebrity's endorsement of a product can also influence a consumer's purchase decision. Using celebrity endorsements as a symbol of status makes consumers feel classy and glamorous and allows them to feel in their element. Additionally, the research shows people are more likely to recall products that are endorsed by celebrities than those without. Since celebrities appeared in those advertisements, people were more likely to remember those products. Celebrity endorsements are now part of the multi-billion dollar industries in the world. Marketers use celebrities to promote their products and brands in advertisements to increase sales and change viewers' perception of their brand, which in turn influences their buying decisions. According to this study, celebrity endorsements influence consumer purchasing behaviour and their perception of the company and its product or brand. A survey based on a questionnaire was used to collect data from 384 respondents, who were residents OF Melaka. This research uses simple random sampling as probability sampling in which samples are selected at random. The data obtained were analysed using Statistics and Social Science Package (SPSS). The results of this study indicate that all relevant constructs have shown a significant relationship between impact of celebrity endorsement and buying behaviour. As a result, this research could benefit the community and government to develop a more marketing tool by use celebrity endorsement media in advertisings to engage with more audience.

ABSTRAK

Kajian ini adalah untuk mengkaji keberkesanan atas sokongan selebriti terhadap gelagat pembelian terhadap pengguna di Melaka. pengiklanan produk daripada selebriti juga boleh mempengaruhi keputusan pembelian terhadap pengguna. Menggunakan sokongan selebriti sebagai simbol status menjadikan pengguna berasa mereka lebih bergaya dan glamor serta membolehkan mereka berasa dalam gayaan yang sama seperti selebriti tersebut. Selain itu, penyelidikan ini menunjukkan orang ramai lebih cenderung untuk mengingati dan mengenali produk yang dipromosikan oleh selebriti berbanding produk yang tidak di promosikan oleh selebriti tersebut. Memandangkan selebriti muncul dalam iklan tersebut, orang ramai lebih cenderung untuk mengingati produk tersebut. Sokongan selebriti kini menjadi sebahagian daripada industri berbilion dolar di dunia. Pegawai pemasaran telah menggunakan selebriti untuk mempromosikan produk dan jenama mereka dalam iklan untuk meningkatkan jualan dan mengubah persepsi penonton terhadap jenama mereka, yang seterusnya mempengaruhi keputusan pembelian pelanggan. Menurut kajian ini, sokongan selebriti mempengaruhi gelagat pembelian pengguna dan persepsi mereka terhadap syarikat dan produk atau jenamanya. Tinjauan berdasarkan soal selidik telah digunakan untuk mengumpul data daripada 384 responden yang merupakan penduduk Melaka. Penyelidikan ini menggunakan persampelan rawak mudah sebagai persampelan kebarangkalian di mana sampel dipilih secara rawak. Data yang diperolehi dianalisis menggunakan Pakej Statistik dan Sains Sosial (SPSS). Keputusan kajian ini menunjukkan bahawa semua konstruk yang berkaitan telah menunjukkan hubungan yang signifikan antara kesan sokongan selebriti dan tingkah laku membeli. Hasilnya, penyelidikan ini boleh memberi manfaat kepada masyarakat dan kerajaan untuk membangunkan lebih banyak alat pemasaran dengan menggunakan media sokongan selebriti dalam pengiklanan untuk melibatkan diri dengan lebih ramai penonton.

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CHAPTER 1

INTRODUCTION

1.0 INTRODUCTION

Regarding of this chapter, the researcher had been discussing in general about the impact of celebrity endorsement towards consumer in buying behavior specifically in fashion industry. This chapter had been discussed about the background of the researched studied at Melaka Malaysia. The objective of this researched was to examine the impact of celebrity endorsement on buying behavior and to found out the relationship between celebrity endorsement and community influence in buying behavior. Beside in this chapter had problem statement, three researched question, two researched objective, scope of studied, significant of studied, limitation of studied and the summary in this chapter

1.1 BACKGROUND OF STUDY

The background of studied in this researched discusses in depth about the impact of celebrity endorsement toward consumer in buying behaviour, whereas the introduction only gave an overview. Researched background in this researched past was a short define of the maximum crucial researched which had been carried out up to provide in a chronological ordered. Researched background past ought to additionally consist of a short dialogue of important theories and model associated with the studied problem. Regarding of this researched focus on these studied was about how celebrity endorsement could help other businesses to sustain and to growth.

Many entrepreneurs were producing an extensive variety of products opposition was fierce, and marketers needed have been extra creative in promoting their merchandise in ordered those consumers were inquisitive about them. To introduce a product to the public, the company should provide data approximately the product that had been brought to the public, and the facts needed have been dependable and capable of attracting public attention. Currently, introducing a product to the public necessitates a huge variety of resources and facilities. One example was marketing, which had developed into a tool for introducing a product to the majority. There were a lot of marketing tool could be used especially in advertising who could attracted the customer in buying behaviour such as television, print media, billboards, celebrity endorsement.

These studied focusing of how celebrity endorsement giving an impact toward consumer in buying behaviour base on both method which is online and offline mode. Celebrities were viewed as role model. People's lifestyles were changing in response to their favourite celebrity. This thing creates a great impact on the buying behaviour of the persons. This attracts customers and, as a result, increases company productivity. Celebrities did not always have an impact on people's purchasing decisions. However, it had a significant impact on the perception of choosing any product.

When consumers saw an actor or a favourite sports figure endorsing a product, that product immediately gains credibility because celebrity endorsement was a technique in which celebrities endorse a product. the main purpose of advertising was to influence customer purchase decision (Ohanian 1990). Famous and glamourous personalities influence consumer in buying behaviour was the major reasoned that made the best advertising tool today (McCracken 1989).

Khatri (2006) had said that celebrity was not always helped in made an impact on buying decision, but they were often a large influence on perception. Khatri (2006) also thought that if our favourite celebrity was following a certain beauty regimen then we should use that regimen have been liked her. Regarding of this we could saw from their researched some people things celebrity had a strong in influence other to tried on whatever they promote. It could help company got more intention and sale would growth after celebrity promote the product.

1.2 PROBLEM STATEMENT

A problem statement was concise description of a difficulty have been addressed or a circumstance have been stepped forward upon. Benford and snow (2000) had said the celebrities considered as an opinion leader helps in social movements by mobilizing their followers and persuading consumer. In this researched we could saw the extent of interest in celebrity endorsement in influencing consumer in buying behavior. Various studied had already concluded that celebrities, due to their attractiveness and likeability, aid in attracting customers' attention to advertisements (Erdogan, 2001).

Celebrity could inspire consumers' desires, hopes, and dreams the consumer to try every product their advertise because of they might followed their favorite celebrity appearance (Rockwell & Giles 2009). In this researched we would saw how consumer responded to those products which were backed by celebrities. Besides, to saw did celebrity endorsement encouraged consumer to act in buying behavior. Regarding of this problem statement we could saw how the marketing strategy by used celebrity endorsement.

Celebrity endorsement was very important in this generation to helped business gained more profit, but celebrity endorsement also harm costed and if the celebrity had done problem, it might affect the company who endorse them. They could help company growth faster but could made it down easily. With viral trend right now, celebrity could made product awareness easily. Company have been aware and careful in controlling the celebrity and ran the business because if customer started to complaint or made argument or gave bad experienced about the product would drove a bad impact to the company.

Beside celebrity endorsement had been used because we had to faced covid 19 at the end of 2019. Company needed to do online method to did sale and marketing to get customer and selling. Celebrity endorsement could save the business because all shop needed to take down the business during pandemic Regarding on this problem in pandemic businesses need to think the move by creating engagement with customer by celebrity endorsement.

Before businesses chose which celebrity, they needed to analysis their target audience and the celebrity itself. If the businesses wrongly chose the celebrity and target audience, it could give a big impact in the whole businesses. Beside businesses needed to know the important of celebrity in buying behavior toward consumer because by used celebrity could gave big impact beside harm high costed to did collaboration.

1.3 RESEARCH QUESTION

- What are the factors of celebrity endorsement that influence consumer buying behaviour?
- What are the most important factor of celebrity endorsement that influence consumer buying behaviour?

1.4 RESEARCH OBJECTIVE

- To examine the factors of celebrity endorsement lead consumer toward buying behaviour.
- To determine the most important factor of celebrity endorsement that influence in buying behaviour.

1.5 SCOPE OF STUDY

The scope of studied explains the volume to which the studied area may been explored withinside the worked and specifies the parameters withinside the looked at me been operating. Basically, because of this researcher should outline what they looked at went to cowl and what its miles focusing on. The primary focus of this researched was to determine how marketers used celebrities to influence consumer purchasing patterns and how they created a positive image by selecting strong publicly desirable celebrities. It was also important to identify the key factors that may influence consumer purchasing behaviour through celebrity endorsement in online and offline method.

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1.6 SIGNIFICANT OF STUDY

The significant of studied had been written announcement that explains why researcher statement changed into needed. It's a justification of the significance of researcher paintings and effect it had in researcher studied field, it was contribution to new information and the way others would gain from it. Researchers used the theoretical framework to gain more data and specific information in this researched.

1.7 LIMITATION OF STUDIES

Researched limitations occur when the researcher had limited capabilities to get respondent and unable to conduct interview because of covid 19. Regarding of this problem researcher changing the interview section to google form session with several university student. The limitation of this researched was the sample size coverage was limited to Melaka resident only and the researcher time management to did this researched also had limitation because needed to carried other subject assignment. Another limitation of this studied was that most respondents had been young people over the age of 16 to 35 years old. The researcher collects 384 respondents in this project because the population in Melaka in range of 16 to 35 years old were 790,136 people and this communities' helped researcher got more feedback and data.

1.8 SUMMARY

The researcher addressed the background analysis of the researched subject, problem statement, researched issue and purpose, scope of studied, limitation of studied and significance of researched in the introduction for this topic.

CHAPTER 2

LITERATURE REVIEW



Regarding on this chapter, a discussion was conducted related to the review of secondary data and the factors that could influence the used and used of celebrity endorsements in Malaysia. It began with a brief introduction which covers the definition advertisement, celebrity, celebrity endorsement and buying behavior and important, factor and role of celebrity endorsement. This chapter also discussed which involves discussion of past studied and the proposed conceptual framework

2.1 DEFINITION

2.1.1 ADVERTISEMENT

Advertising can be done through various media such as television, newspapers, radio, flags, leaflets, websites, and so on. Each publicising medium has advantages and disadvantages that must be considered before selecting the specific media (Aminuddin, Don, & Shamsudin, 2020). Advertising plays an important role in influencing the consumer's purchase intention therefore, companies should use all their resources and tools to employ various types of marketing to persuade customers towards their offerings (Ohanian, 1991).

2.1.2. CELEBRITIES

A celebrity is an individual who is well known by the vast majority of people. People with special talents, magnetism, and living standards that are not normal to experience in the general population have special features and characteristics (Erdogan 1999).

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2.1.3 CELEBRITIES' ENDORSEMENT

Celebrity endorsements are effective marketing strategies for attracting customers. Due to the current market situation, marketers now use famous individuals to establish the distinctive identity of their brands and to create a brand's popularity, which requires high expenditure for companies to employ that technique, but nowadays it has become one of the most powerful tools to maximize profit (Khantri 2006).

Celebrity endorsements are one way for brands and products to stand out in a buyer's mind. Celebrities can improve advertisement effectiveness by increasing message persuasiveness, influencing message recall, attitude toward a specific advertisement and the brand in general, brand recognition, and purchase intent (Muda et al., 2012; Agnihotri & Bhattacharya, 2016; Park, 2016).

2.1.4 ATTENTION, AWARENESS AND ATTITUDE

Based on this information, Zafar (2009) suggests that celebrities' endorsements are being used as a strategy to get the attention of customers, by engaging top models in advertisements to catch the attention of the public towards the product because this will ultimately raise the customer toward that company's product. Regarding of this, It is through these well-known personalities that the main motive for the product is explained. This is why companies prefer them to build awareness.

2.1.5 BUYING BEHAVIOUR

Buying behaviour refers to a person's search for the product or service they need or want, decision-making necessary for choosing the required and most suitable one from various alternatives, then using and disposing of it (Kirmani & Shiv1998).

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2.2 ROLE OF CELEBRITY ENDORSEMENT IN ADVERTISING

A celebrity endorser is a person with public recognition who uses that recognition to promote consumer goods in advertisements (McCracken, 1989). Advertisers believe that a celebrity-endorsed advertisement will be more popular because messages exposed by famous celebrities will garner greater attention and recall (Ohanian, 1991). Celebrity expertise refers to the knowledge that endorsers have in order to deliver advertisement messages, whereas trustworthiness refers to the consumers' acceptance that the endorser is providing authentic information (Ohanian, 1991).

2.2.1 BRAND ALLIANCE

Brand alliances may improve the primary brand's image and signal higher product quality, may have a greater impact on common brands by activating the transfer of consumer affect from a high-quality to a low-quality brand, may influence quality perceptions of an unnoticed product characteristic of a partner brand, and may increase attitudes toward the associated brand (J-Y Suh and S-B Park 2009). Brand endorsement by celebrity is also a type of brand alliance, and research on celebrity endorsement has been conducted. (Elyas, S., and Mohamed, Y., 2013)

2.2.2 BRAND RECOGNITION

Brand recognition is one of the most important ways to distinguish our product from competitors. According to Freeling, Leiter, and Person (1997), "it is the recognition (brand or product name) that hangs over the company door, the name of the product, or the name that describes a service." Product perception is linked to a well-known brand. Attractive and likeable celebrities, according to Kahle and Homer (1985), can increase brand recall for high involvement consumer brands. Attractive celebrities raise brand awareness among women more than men, whereas unattractive celebrities lower brand awareness among low-involvement consumers.

2.2.3 BRAND IMAGE

Brand image representation of the overall perception of the brand and is formed from information and experience of the brand and the brand image is related to attitudes toward a brand in the form of beliefs and preferences. Consumers with a positive image of a brand are more likely to buy (Bian and Moutinho, 2011). While Lee (2011) defines brand image as a description of the association and consumer confidence in a specific brand.

2.2.4 BRAND TRUST

According to Keller (2008), brand trust is defined as the product user's sense of security in their interaction with a brand based on the perception that the brand can be trusted and cares about the interests and welfare of consumers. The most difficult aspect of conceptualising trust is on cognitive and affective levels. Tezinde et al. (2014) found that trust, commitment, and satisfaction have an impact on consumer relationships and loyalty.

2.3 IMPORTANT OF CELEBRITY ENDORCEMENT IN BUYING BEHAVIOURAL

2.3.1 ADVERTISEMENT

Ranjbarian, Shekarchizade, and Momeni (2010) agreed that advertisement can persuades individuals in a specific market to buying behavioural. The advertisement message can be spread in a variety of ways, including TV commercials, radio publicity, print promotion, online advertising, billboard marketing, in-store advertising and celebrity endorsement. A celebrity advertisement makes it easy for the customer or viewer to recall the brand (DLR van Der Waldt, M. van Loggerenberg, and L. Wehmeyer, 2009).

2.3.2 TRANSFER MEANING OF BRAND

McCracken (1989) discovered that celebrity endorsements were an effective way of transferring meaning to brands. Marketers are unanimous in their belief that advertisements endorsed by famous celebrities have a significant and enormous impact when compared to non-endorsed celebrities. Celebrities endorsing or promoting their products can help brands raise awareness, trust, and familiarity, all of which are important factors in the buying behaviour.