The Contribution of Celebrity Endorsement on Customer Decision

Eko Sudjawoto a*, Agussalim Andriansyah a, Didik Priyo Sugiharto a and Zainul Arifin a

a STIE Malangkucecwara Malang, Indonesia.

Authors’ contributions

This work was carried out in collaboration among all authors. All authors read and approved the final manuscript.

ABSTRACT

The purpose of this study is to examine the influence of the determinants of celebrity endorser toward the purchase decision of a product of the students of Malangkucecwara College of Economic, Malang, East Jawa, Indonesia. The determinants in this study are trustworthiness, expertise, attractiveness, respect, and similarity. Population of this study is all the students of Malangkucecwara College of Economic. This research uses accidental sampling with the total sample is 72 students. This sample can be calculated by 4 times total of indicators (18 indicators for all variables). Data of this study is analyzed using multiple linear regressions. This research found that based on the perspective of Malangkucecwara College of Economics’ students, trustworthiness, expertise, attractiveness, respect, and similarity have a significant influence toward purchase decision. The result of this study is expected to be useful for the companies which want to sell its products in Malangkucecwara College of Economics’ students. The companis should consider the characteristics of the celebrities that they want to use as celebrity endorsers. The trustworthiness of the star should give more attention, because this characteristic has the most influence on purchase decision. The trustworthiness of this study consist of honesty, consistency, and sincerity.
Keywords: Celebrity endorser; trustworthiness; expertise; attractiveness; respect; similarity.

1. INTRODUCTION

In the modern marketing, profit is not a primary objective that must be catch up, but ability to make a strong customer need to the product is also very crucial. One of the methods to create customer need is by using advertising. Company can use celebrity endorser to make the advertising more interesting. Celebrity endorser is used by a company to deliver the marketing message about its product. Celebrity endorser has a role to make marketing activities going smoothly.

In order to achieve a higher recognition for its product brands, the company invests its money and time in the endorser [1,2]. Celebrity endorsement is also as a common strategy for marketing communication among brands [1,3]. Celebrity endorsement also can be used as a strategy to generate higher financial returns and overall recognition [4,5]. The use of celebrities is believed to help consumers remember the message of the advertisement and the brand name the celebrity is endorsing. It also enables to create the personality of a brand because when a celebrity is paired with a brand, this image of the brand can be shaped in the minds of consumers.

A famous celebrity is able to create emotional relationship with customer; therefore it can build product impression. There are several considerations for selecting celebrity endorser. These considerations are: the celebrity is the famous celebrity at that time and he/she has to represent the character of the product [6]. Jain [7] suggests several considerations in choosing celebrity endorser. “These considerations are Celebrity-Target Audience Match, Celebrity Values, Costs of Acquiring the Celebrity, Celebrity Regional Appeal Factors, Celebrity-Product Match, Celebrity Controversy Risk, Celebrity Popularity, Celebrity Availability, Celebrity Physical Attractiveness, and Celebrity Credibility. A firm can employ a celebrity to promote its products or services by using her/him as testimonial, endorsement, actor, and spokesperson” [7].

The purpose of this study is to examine celebrity endorsement from a strategic perspective. Specifically, this study focuses on examining the perception of students of STIE Malangkucecwara Malang about the celebrity endorsement process and the subsequent impact on their purchase decisions. This study will help organization in making the right choice of celebrities to use in endorsing advertisements.

2. LITERATURE REVIEWS

2.1 Celebrity Endorsement

Advertising is one of the marketing communications about organization, product, service or idea by an identified sponsor. There are several techniques that can be used for advertising; one of the techniques is celebrity endorsement. The term celebrity refers to an individual who is known to the public (actor, sports figure, entertainer, etc.) for his or her achievements in areas other than that of the product class endorsed. McCracken [8] stated that “celebrity endorser is a person who publicly known and takes advantage of his/her fame from a consumer perspective by emerging with the product in advertisements”. Khatri [3] defines “celebrity endorsement is the use of the celebrity’s names in the product or service advertisements, where celebrities may or may not be the experts”.

“Many companies invest a lot of money in celebrity endorser because it can be used as marketing strategy, especially to communicate their product to the consumers. Several researchers stated that celebrity endorsement is a well-known and common strategy for marketing communication among brands” [1,3,2,9]. “The other benefits that can be taken from using celebrity endorsement as a strategy are increased financial returns and overall recognition” [4,5]. “The importance of using celebrity endorsement is not lie the increase of revenue, but in the concept of increasing value from the celebrity, through the endorsement process to the brand being endorsed” [4].

The celebrity endorser is a solution for all marketing distresses [3]. Recently, the celebrity endorsement is frequently used as an approach in marketing for all brand building exercises. However, Khatri [3] stated that “the star appeal needs to be perfectly blended intelligently and strategically to reap the benefits and make brands. It is because the star serves as an aid to accelerate recall and influence purchase”. Besides the strategic advantages, the celebrity endorsement can also be a frightening unless
accompanied by a powerful idea, effective and impeccable positioning” [3].

According to Ohanian [10], “celebrity endorsement has dimensions. These dimensions are: trustworthiness, expertise and attractiveness”. “The dimensions are used by many recent studies to measure the construct of celebrity endorsement” [11,12,13]. Besides the dimension of celebrity endorser, several studies examine the relationship celebrity endorsement with other variables [7,14,15]. “The relationship between celebrity endorsements with customer brand equity also specifically has been examined” by Jafar et al. [16] and Sivesan [17]. Their results specify that celebrity endorsement does have positive relationship and potential to create customer based brand equity.

Abirami & Krishnan [18] measured the consumer attitude towards celebrity endorsement. In order to measure attitude towards endorsement, they used twenty seven statements related to celebrity endorser, celebrity features, brand-endorser match and celebrity endorsements. These statements were divided into four factors. These factors are attributes, perception, perceived fit and attitude. The result of their study found that the attribute of the endorser influences the consumer perception towards endorsement. The perceived fit between the endorser and the product also influences the attitude. The statements that used in attributes are credibility, attractiveness, trustworthiness, expertise, familiarity, and likeability. Ibok [19] examined factors which are critical to celebrities’ effectiveness within the context of the Nigerian telecommunication industry. Ibok [19] indicated that perceived expertise and credibility were the two most important factors determining celebrities’ effectiveness. Other factors were trustworthiness and attractiveness. Trustworthiness has been considered an integral component of celebrity product advertisement.

Brilliant [20] conducted research related celebrity endorsement and purchase decision through perceived value and customer attitude. This study used 210 participants of Souvenir Product in Surabaya, East Java, Indonesia. According to the study’s findings, consumers’ interest in and attractiveness to celebrities can influence how much of a role they play in selecting gifts. Celebrity endorsements can have an impact on consumer attitudes and how much they consider a gift's value to be worth. They can also aid buyers in choosing the product by the souvenir through perceived value and customer attitude.

Consumer views are also influenced by the worth and caliber of the goods they purchase. More specific, Evira [21] investigates the impact of trustworthiness, attractiveness, and expertise on customer decision in social media Instagram. The study found that celebrity attractiveness has impact on purchase decision-making, but trustworthiness and expertise do not influence the customer purchase.

According to the much-extended reference made by Shimp [22] introducing TEARS (Trustworthiness, Expertise, Attractiveness, Respect, and Similarity) model said that credibility and attractiveness as two components that motivates the endorser’s effectiveness. Trustworthiness and expertise are credibility components, while physical attractiveness, respect, and similarity are dimensions of attractiveness. This study uses the five components (trustworthiness, expertise, attractiveness, respect, and similarity) to examine the effectiveness of celebrity endorsement from the students’ perspective. Trustworthiness can be defined as a consumer’s perception of the honesty, integrity and believability of an endorser [2]. Shimp [22] stated that a celebrity endorser is trusted by the audience due to the life he or she lives professionally and personally, as revealed to the general public through the mass media. If a celebrity endorser is perceived to be highly trustworthy, a consumer might not scrutinize the validity of the advertising message [23].

Expertise refers to knowledge, experience, and skills with regard to the advertised brand [2]. For example, athletes are considered to be experts when it comes to endorsing sports-related products. Whereas models are perceived as possessing expertise with regard to beauty-enhancing products and fashion items. Silvera & Austad [24] found that the expertise of an endorser has a correlation with the validity of the claims concerning the product. Attractiveness usually refers to the physic that includes any number of virtuous characteristics that consumers may perceive in an endorser, such as intellectual skills, personality properties, lifestyle characteristics, athletic prowess, and so on [22]. Kahle & Homer [25] found that physically attractive endorsers generally produce more favorable evaluations of advertisements and the brands than do less attractive communicators.

The other component of TEARS is respect. Respect is the quality of being admired or esteemed due to the endorser’s
accomplishments. Celebrities are respected for their acting ability, athletic prowess, appealing personalities, and other qualities. Charbonneau and Garland [26] found that using a credible and respected celebrity or athlete as the message carrier is more effective than using an ordinary model. Similarity is the degree to which an endorser matches an audience in terms of characteristics pertinent to the endorsement relationship, such as age, gender, ethnicity, etc. [22]. Erdogan [2] defined similarity as a supposed resemblance between the source and the receiver of the message. Shimp [22] also stated that similarity between the endorser and audience is especially important when there is a wide range of products or services on offer and audience members are heterogeneous.

2.2 Consumer Buying Behavior

Consumer buying behavior is how individuals, groups and organizations selecting, purchasing, using and disposal products, services, ideas or experience to meet the consumers' demand (Kotler and Kevin, 2012). Whereas Schiffman & Kanuk [27] stated that consumer buying behavior is performance in the search for, purchase, use and evaluate the behavior of products and services to meet the demand. Kotler & Armstrong [28] stated that there are five stages that the consumer goes through before the actual purchase. These stages are recognizing the need, gathering information, evaluating alternatives, making the purchase decision and post purchase behavior where the consumer evaluates the received satisfaction level.

The first step of decision-making process is recognition the need. There are a several types of classifications of need recognition. One of the types is the buyer recognizes a need that can be triggered by internal or external stimuli. Internal stimuli are a human’s basic needs, whereas external stimuli can be for example an advertisement that can get customer thinking about buying a product. In the recognition process, marketers will try to convince consumers to choose their brand instead of others. One of the marketing strategies that can be used in this stage is celebrity endorsement.

The second stage of the decision-making process is the consumer engages with information search. Solomon [29] stated that consumer can get information from multiple sources, such as from friends or family, reading magazines or using the Internet search or handling the product.

The third step of decision-making process is evaluating the alternatives. Wright [30] stated that some customers make little or no evaluation and make their buying decision based on impulse and intuition, however, some other consumers are engaged to an extended problem solving process may carefully evaluate among several brands. After the consumer has evaluated alternatives, the next step is ready to proceed to the actual purchase. There are several factors that can influence the consumer’s buying decision such as the attitudes of others or beliefs about the brand created by marketers [28]. The last step of the buying process is post purchase behavior. After the consumer has purchased the product, the consumer will evaluate the satisfaction level. The consumer feels disappointment if he/she expectations towards the product have not been met [31]. On the other hand, if the product meets his/her expectations, the consumer will be satisfied and willing to spend more on this specific brand in the future.

Based on the literature review above, it can be concluded that purchasing decision process is started long time before buying activity is and continued until post buying activity. Marketers have to understand what the cause of the customer needs and how to realize the needs. This study examines how celebrity endorsement can influence the customer buying. Finally, the hypothesis of this study can be formulated as follows:

Hypothesis 1: there is a simultaneously positive influence of celebrity endorsement that consist of Trustworthiness (X1), Expertise (X2), Attractiveness (X3), Respect (X4) and Similarity (X5) toward customer buying decision (Case study of the students of STIE Malangkucecwara).

3. RESEARCH METHODS

This study uses correlation approach to analyze the relationship between celebrity endorsement (trustworthiness, expertise, attractiveness, respect, and similarity) and the consumer buying decision. The purpose of correlational approach is to detect how far the variances of the factor related with the variances of one or more facts based on the correlation coefficient. Therefore, this study is explanation research to examine the influence of celebrity endorser attributes toward the consumer perception in order to make purchasing decision of the students of STIE Malangkucecwara.
The independent variables of this study are trustworthiness with the indicators: honesty, consistency, and sincerity; expertise with the indicators: knowledge, skill, and experience; attractiveness with the indicators: attractive, beautiful and handsome, and style; respect with the indicators: religious, good reputation in entertainment, and famous; and similarity with the indicators: equality in ages, social class, and gender. The dependent variable of this research is purchasing decision with the indicators: good, priority and right product. Population of this study is all students of STIE Malangkucecwara Malang. This research uses accidental sampling with the total sample is 72 students. This sample can be calculated by 4 times total of indicators (18 indicators for all variables). Data of this study is analyzed using multiple linear regressions.

4. RESULTS AND DISCUSSION

4.1 Results

Respondents of this study are 72 students of STIE Malangkucecwara Malang (Malangkucecwara College of Economic, Malang, and East Java, Indonesia). These respondents are 44.4% or 32 students with the age of 22 years old, 33.3% or 24 students with the age of 23 years old, and 22.22% or 16 students with the age of 24 years old. The ages of the respondents usually have more selective in choosing the function, the quality and the price of the products.

Based on the result of SPSS for the trustworthiness, it can be described that 56.9% of the respondents agree that celebrity endorsers have honesty in delivering the message of the product; 65.3% respondents agree that celebrity endorsers are consistent in their role in product advertisements, and 50% of respondents agree that the celebrity endorsers have been act genuinely in advertisement. For the expertise, 38.9% of the respondents agree that celebrity endorsers have good knowledge, 51.4% have good skill, and 33.3% have good experience in delivering the message of the product.

For the attractiveness, the data processing result shows that 58.3% of the respondents agree that celebrity endorsers have a good-looking when they delivering the message of the product. 44.4% of the respondents also agree that celebrity endorsers are very attractive when delivering the message of the product and 59.7% agree that celebrity endorsers are very stylist. For respect variable, 58.3% of the respondents agree that celebrity endorsers have good personality, 58.3% agree that celebrity endorsers have good achievement in entertainment, and 56.9% agree that celebrity endorsers have been very famous. For the similarity, this study used the similarity of age, social class, character of the celebrity with the consumers. The result showed that 54.2% of the respondents agree that the celebrity endorsers have age similarity with the consumers, 41.7% agree that celebrity endorsers have same social class with the consumers, and 47.2% agree that celebrity endorsers have same character with the consumers. For the dependent variable, buying decision, 66.7% of the respondents feel more comfort to buy a product if the advertisement used celebrity endorsers. 94.4% of the respondents also give more priority to buy product that advertised using celebrity endorsers and 75% agree to still to choose the product that using celebrity endorsers rather that it does not.

Based on the validity test, all items that used in this research are valid, because product moment coefficient of all items are higher that r-table (0.195). This research uses Alfa Cornbach to measure the reliability of all items. The result showed that the Alfa Cornbach's value of all items are higher than 0.600. It means that the all item that used to measure Trustworthiness (X1), Expertise (X2), Attractiveness (X3), Respect (X4), Similarities (X5) toward Buying Decision (Y) are reliable. Regression model of this research is free from multicollinearities, because the value of Variance Inflation Factor (VIF) of all variables is below 10 with tolerance value close to 1. Based on autocorrelation test, the value of Durbin-Watson (D-W) is +1.940. It means that regression model of this research doesn't have autocorrelation. A good regression model can also be valued if there is no heteroskedasticity. Based on the Glejser test, there is no variable independent that has significant value. All independent variables have significant value above 0.05. Regression model is also good if it has normal or close to normal data distribution. In order to test whether the research sample has normal distribution or not, this research used Kolmogorov-Smirnov Goodness of Fit Test for each variable. Result of this test showed that the significant value of its residual is 0.620 which is higher than 0.05. It means that the residual has normal distribution; therefore this research can use regression with multiple linear regressions.

To examine the simultaneously influence of Trustworthiness (X1), Expertise (X2),
Attractiveness (X3), Respect (X4), and Similarity (X5) toward Buying Decision (Y), this study used F test. Result of the F test can be seen in the Table 1.

According to the F test, it is shown that F value is 21.065 which is higher than F table which is 2.32 with the level of significance is 0.000 < 0.005, therefore decision toward Ho is rejected and Ha is accepted. This result means that Trustworthiness (X1), Expertise (X2), Attractiveness (X3), Respect (X4), and Similarity (X5) significantly and simultaneously influenced Buying Decision (Y). The coefficient of R is 0.784 means that there are close relationship between Trustworthiness (X1), Expertise (X2), Attractiveness (X3), Respect (X4), and Similarity (X5) with the Buying Decision (Y). The coefficient value of determination (Adjusted R Square) is 0.589 means that 58.9% of the Buying Decision of students STIE Malangkuçeçwara who are the respondents of this study is influenced by Trustworthiness (X1), Expertise (X2), Attractiveness (X3), Respect (X4), Similarity (X5) and the rest or 41.1% is influenced by other factors that did not investigate in this study.

Based on the result of multiple regression tests above, it can be formulate regression equation as follows:

\[ Y = 2.019 + 0.320X1 + 0.110X2 + 0.105X3 + 0.131X4 + 0.167X5 \]

The descriptions of the equation are:

1) The coefficient of regression BX1=0.320, means that if Trustworthiness (X1) increased in 1 point, the Buying Decision of a product will be increased 0.320 point with the assumption that the values of Expertise (X2), Attractiveness (X3), Respect (X4), and Similarity (X5) are not change.

2) The coefficient of regression BX2=0.110, means that if Expertise (X2) increased in 1 point, the Buying Decision of a product will be increased 0.110 point with the assumption that the values of Trustworthiness (X1), Attractiveness (X3), Respect (X4), and Similarity (X5) are not change.

3) The coefficient of regression BX3=0.105, means that if Attractiveness (X3) increased in 1 point, the Buying Decision of a product will be increased 0.105 point with the assumption that the values of Trustworthiness (X1), Expertise (X2), Respect (X4), and Similarity (X5) are not change.

4) The coefficient of regression BX4=0.131, means that if Respect (X4) increased in 1 point, the Buying Decision of a product will be increased 0.131 point with the assumption that the values of Trustworthiness (X1), Expertise (X2), Attractiveness (X3), and Similarity (X5) are not change.

5) The coefficient of regression BX5=0.167, means that if Similarity (X5) increased in 1 point, the Buying Decision of a product will be increased 0.167 point with the assumption that the values of Trustworthiness (X1), Expertise (X2), Attractiveness (X3), and Respect (X4), are not change.

### Table 1. Results of F-test

<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>Independent Variables</th>
<th>Coefficients</th>
<th>t Values</th>
<th>t Table</th>
<th>Level of Sig. (α=5%)</th>
<th>Decision toward Ho</th>
</tr>
</thead>
<tbody>
<tr>
<td>Y</td>
<td>X1</td>
<td>0.320</td>
<td>6.619</td>
<td>1.662</td>
<td>.000</td>
<td>Rejected</td>
</tr>
<tr>
<td></td>
<td>X2</td>
<td>0.110</td>
<td>2.648</td>
<td>1.662</td>
<td>.010</td>
<td>Rejected</td>
</tr>
<tr>
<td></td>
<td>X3</td>
<td>0.105</td>
<td>2.635</td>
<td>1.662</td>
<td>.010</td>
<td>Rejected</td>
</tr>
<tr>
<td></td>
<td>X4</td>
<td>0.131</td>
<td>2.927</td>
<td>1.662</td>
<td>.005</td>
<td>Rejected</td>
</tr>
<tr>
<td></td>
<td>X5</td>
<td>0.167</td>
<td>4.104</td>
<td>1.662</td>
<td>.000</td>
<td>Rejected</td>
</tr>
<tr>
<td></td>
<td>Constant</td>
<td>2.019</td>
<td></td>
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</tbody>
</table>

R (Multiple R) =0.784
Adj. R² =0.589
F value =21.065
F table = 2.32

Source: Primary Data that have been processed

Description: X1 = Trustworthiness; X2 = Expertise; X3 = Attractiveness; X4 = Respect; X5 = Similarity; Y = Buying Decision
4.2 Discussion

According to the statistics analysis, this research found that consumer’s decision to buy a product is influenced by celebrity endorser. The appropriateness in choosing celebrity endorser is based on the attributes that engage in the endorser. These characteristics of the endorser can influence the advertisement. Royan [6] stated that, choosing the appropriate artist will influence the growth of the market share. The personality of the star will be attached to the brand and the star expected to be endorser who reliable to attract the consumers.

This study aims to examine the perception of Malangkucecwara College students in valuing the trustworthiness, expertise, attractiveness, respect, and similarity of the celebrity who becomes an endorser of a product. Trustworthiness refers to the honesty and integrity of the celebrity. Expertise refers to the knowledge, experience or skill that owned by celebrity which is related with the topic of the advertisement. Attractiveness is not only attractive in physic, but also other characteristics such as intelligence, personality, life style, etc. Respect in this study refers to whether celebrities deserve to be liked or appreciated.

Based on the result of multiple linear regression analysis with 5% significance level, it is known that celebrity’s endorser characteristics that consist of Trustworthiness (X1), Expertise (X2), Attractiveness (X3), Respect (X4), and Similarity (X5) have significant influence to the purchase decision of the product. This result can be used as a reference for marketers for selecting the star. Marketers who use celebrities as endorsers of their brands should consider the attributes attached to the celebrity. The definition of attributes according to Mowen and Minor [32] are characteristics or features possessed by the object. Therefore, the endorser attributes are features that may be owned or not by the endorser. According to Mowen and Minor [32] there are two key factors that affect the effectiveness of the communication process that is, the characteristics of information sources (endorsers) and the characteristics of messages communicated. This study found that the contribution of celebrity endorser to the purchase decision of a product is 58.9% and the rest of 41.1% influenced by other indicators that are not examined in this research model. Other indicators may be the characteristics of communicated messages or other elements in the advertisement.

5. CONCLUSION

The purpose of this study is to examine the influence of characteristics of celebrity that consist of trustworthiness, expertise, attractiveness, respect, and similarity toward the purchase decision of students of Malangkucecwara College of Economic, Malang, East Java, Indonesia. The results show that those variables (Trustworthiness, Expertise, Attractiveness, Respect, and Similarity) simultaneously have significant influence on Purchase Decision.

The result of this study is very useful for the company that wants to sell its product to the students of Malangkucecwara College of Economic. The companies should consider the characteristics of the celebrities that they want to use as celebrity endorsers. The trustworthiness of the star should give more attention, because this characteristic has the most influence on purchase decision. The trustworthiness of this study consist of honesty, consistency, and sincerity.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

REFERENCES


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