

The Impact of Celebrity Endorsement on Young Consumer Buying Behavior: Evidence From Nepal

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Abstract:- The general objective of the study is to assess the impact of celebrity endorsement on consumer buying behavior of young consumers in Kathmandu. Descriptive and qualitative research approaches are used for the study on the basis of the need, nature and purpose of the study. Among the entire young population of Kathmandu valley of age group 16-39 years, 200 samples are selected as respondents. This study largely focused on the impact of independent variables i.e. trustworthiness, celebrity expertise and celebrity attractiveness on the dependent variable, consumer buying behavior. The study represents that there is a significant relationship between the independent and dependent variables of the study.

Keywords:- (Celebrity Endorsement; Buying Behaviour; Marketing; Advertisement; Consumer Behaviour)

I. INTRODUCTION

The history of advertising since past 150 years shows ever-changing advertising world from classical to modern marketing for the promotion of goods and services which is slowly emerging in Nepal as well (Ahmed, Seedani, Ahuja, & Paryani, 2015). Celebrity endorsement is particularly significant for influencing customers towards the product that is being marketed. Famous personality can often depict an outstanding salesmanship. These popular faces endorsing commodities can be reflected as the fastest way to form a bond with the customers.

Although many people think that these celebrities do not need to be megastars to deliver a hit campaign, some believe that they should be exceptionally familiar with the target audience. Involving a well-known face to advertise a product becomes more alluring to the customers and gives them the symbol of status. And from the marketer's perspective, using celebrities give their brand an edge and advantage over other competitors in the market. The Government of Nepal defines youth as people aged 16-40 years of age (Thapa, 2012).

A. Problem Statement

Numerous research on celebrity endorsement have been done, however the majority of them took place in developed economies. As a result, very few of these studies are carried out in Asia's emerging nations, particularly Nepal. Since not much research had been done in Nepal despite the

country being seen as a prospective market, this gap in the literature was somewhat concerning. This study was an attempt to fill in some of the gaps and investigate the value of celebrity endorsement to Nepali businesses.

B. Purpose of the Study

The major objective of the study is to analyze the impression of celebrity endorsement on buying behavior of young consumers from Kathmandu valley. Therefore, the general objective of the study is to determine the impact of celebrity endorsement on consumer buying behavior of young consumers in Kathmandu.

The other specific objectives of the study are directed towards the following purposes:

- To determine the impact of trustworthiness of celebrity endorsing a product on consumer buying behavior.
- To ascertain the impact of expertise possessed by celebrity on consumer behavior.
- To evaluate the impact of attractiveness on customer purchasing behavior.

C. Limitations of the Study

- The study is limited to the impact of celebrity endorsement on consumer buying behavior,
- As the research was conducted within Kathmandu, the perspective of consumers outside Kathmandu was left unnoticed whose opinion regarding celebrity endorsement would be somewhat dissimilar or different.
- Another limitation to this research was that the majority of respondents were young individuals studying business, so consumers other than these business students were not taken into consideration.
- The study questionnaires were not filled properly so the respective respondent's forms were rejected.
- Only age and gender had been taken as content of demographic variables.

II. LITERATURE AND CONCEPTUAL FRAMEWORK

We live in a celebrity society where the likenesses of celebrities—those who are "famous for being famous"—are disseminated and viewed on a regular basis around the globe (Penfold, 2004). Organizations have used celebrities to promote their goods and services for as long as there has been marketing and advertising. For their brand image, finding the

right celebrity with the appropriate background and personality might work wonders (Ibrahim, 2016).

Trustworthiness is the first component of the source credibility model. One of the most prevalent ones is trustworthiness, which has to do with how much one believes the communicator intends to convey the idea they believe to be true. In general, people trust their friends more than strangers, advertisers, or salespeople (Raluca, 2012). In addition, there are instances where women tend to trust female celebrities more than male celebrities (Sliburyte, 2009). Trustworthiness is the first component of the source credibility model. One of the most prevalent ones is trustworthiness, which has to do with how much one believes the communicator intends to convey the idea they believe to be true. In general, people trust their friends more than strangers, advertisers, or salespeople (Raluca, 2012). In addition, there are instances where women tend to trust female celebrities more than male celebrities (Sliburyte, 2009).

Expertise serves as the second theoretical postulate in the source credibility paradigm. The degree to which a communicator is regarded as a source of reliable assertions is referred to as expertise. It is described as the deemed level of expertise, experience, or talent that an endorser possesses (Hovland, Irving, & Kelley, 1953). Knowledge of the topic at hand is a relevant indicator of expertise (Maddux & Mason, 1980).

Attractiveness is the third axiom of the source credibility model (Wang & Scheinbaum, 2017). According to the definition of attractiveness, one's outer appearance, which includes elegance, beauty, and class (McCracken, 1989)? According to a statement, attractive communicators are frequently chosen, admired, and thought to positively affect items over those who lack beauty (Joseph, 1982). Weight, height, and the beauty of the face, which are frequently evaluated largely by the general public and are associated with physical attractiveness of the endorser, can all be characterized as physical attractiveness for celebrities (Bardia, 2013).

A consumer is portrayed as evaluating a product's qualities and choosing the one that best satisfies their defined demands at the lowest price in the buying decision. In this phase, consumers behave based on their happiness or discontent with the good or service they purchased (Kotler & Keller, 2012).

A. National Context

Except for credibility and trustworthiness, all other characteristics are significant predictors of purchase intentions, according to a study by Baniya (2017). One strategy for boosting customer attitude and behavior loyalty among consumers can be thought of as celebrity endorsement. The insignificance of source credibility indicates that this component of celebrity endorsement may not be effective, thus may not be appropriate to be evoked. To increase brand loyalty, marketing managers in businesses must take advantage of a celebrity's physical appeal and

brand celebrity matching. This report gives marketers clear instructions on the value and impact of celebrity endorsement in impoverished nations like Nepal. It demonstrates the value of celebrity endorsement as a crucial instrument for promotion in Nepal.

The significance of celebrity endorsement as a marketing communication strategy has been acknowledged by many large firms. It has also become one of the most widely acknowledged rituals in Nepal. Celebrity endorsers have long been used in advertisements for major products like Hindustan Lever (Lux), Pepsi, and Coke. Large corporations employ Nepalese actors, actresses, athletes, and social influencers to positively influence their products because of their fan bases and reputations behavior (Shrestha & Shrestha, 2019).

B. Theoretical Framework

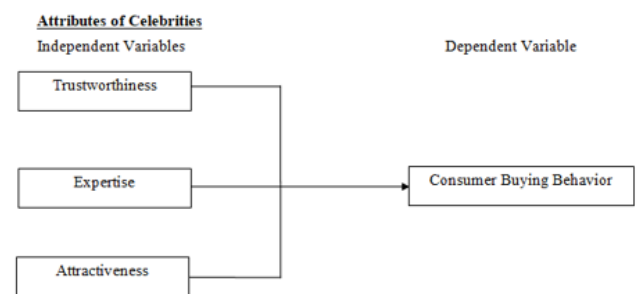


Fig 1:- Theoretical Framework

Base Model

Model Explaining Celebrity Endorsement	Basic Theory	Writers	Consumer perception/Buying behavior/
Source Credibility Model	Believability which Comes through three factors, i.e., physical attractiveness; expertise and trustworthiness.	Hovland and Weiss, 1951; Ohanian, 1991; Liu et al., 2007	Believability of purchasers on endorsers enhances convictions, feelings and have a positive impact on their buying behavior.

Source: (Khalid & Siddiqui, 2018)

Table 1:- Summary of Base Model of Research

III. RESEARCH METHODS

Research design helps to achieve the objectives of the study to conduct the research by aligning with the purpose of the study. Descriptive and quantitative research approaches are used for the study on the basis of the need, nature and purpose of the study. Descriptive research approach is used in an attempt to obtain a complete and accurate description of the situation. Since the study is inclusive of assessment of opinion, behavior along with characteristics of a given population, a descriptive approach is conducted to describe what actually exists. As this research topic is based on the impact of celebrity endorsement on consumer buying behavior, descriptive research helps to describe youth

perception and demographics to determine the impact confined in Kathmandu valley. Meanwhile, a qualitative approach is also used in this study to gather information such as perceptions, opinions, aspirations, behaviors, concerns, motivation, culture or lifestyle of young people.

Basically, subjects are the total population, sample size as well as the variable used in the proposed research. Among the entire young population of Kathmandu valley, 200 samples are selected as respondents.

Among the entire population of Kathmandu, 186 samples are chosen from random sampling. Not only for this reason solely, but the justification for choosing young consumers is that: for them, celebrities become more like role models and shape their habits and even life, in so many ways. Valid response rate for the study is found to be 0.93. Both primary and secondary are used in this study to obtain data. While primary data is collected through questionnaires from respondents residing in Kathmandu valley, secondary data is collected by referring to journals where data were gathered by others for literature review. Primary data for this research was originally gathered by the researcher for the research project via questionnaires which were qualitative in nature initially then turned into quantitative sources after analysis.

A. Reliability and Validity

Cronbach's Alpha Score

Cronbach's Alpha based on Standardized Items	No. of Items
.838	18

Source: Opinion Survey 2021

Table 2:- Reliability and Validity

The table above shows that the result of the reliability and validity test of the respondent's data is 0.838. Meanwhile, the result also highlights that the instruments used are 83.8 percentages valid and reliable which incorporates the general rule of thumb of Cronbach's Alpha signifying that .80 and above is a good enough data for any research.

IV. RESULTS AND DISCUSSION

Table 3 shows the respondent's profile regarding gender of which has been categorized into three types as male, female and others. The table shows that out of 186 respondents, total male respondents were 87, while number of females were 99 with zero respondents in the others category. The 4.1 illustrates that the respondents were mostly female which could be seen with a percentage of 53.2% and the remaining were male respondents at around 46% on average. The proportion of men and women in the study carried, were similar and showed a little difference considerably less than 8%. On the other hand, no respondents were found to be in the non-gender specific category in the conducted study.

Gender	Frequency (No of respondents)	Percentage
Male	87	46.8%
Female	99	53.2%
Others	0	0%
Total	186	100

Source: Opinion Survey 2021

Table 3:- Gender of Respondents

Table 4 clearly depicts the age of youth taken under the study that has been segmented into four groups from 16 to 21 years of age, 22 to 27 years of age, 28 to 33 years of age, 34 to 39 years of age. The table 4.2 gives information about the overall age of the respondents where the majority of the people were of younger age group.

Age	Frequency (No. of respondents)	Percentage
16-21	72	38.7%
22-27	97	52.2%
28-33	12	6.5%
34-39	5	2.7%
Total	186	100

Source: Field Survey 2021

Table 4:- Ages of Respondents

This part includes the previous studies which can be an explanation or reinforcement of the study's findings. Each paragraph contains opinions in favor or against the topic discussed, critical evaluations, and learning points.

In the study done by Samat and Faizal (2019), frequency analysis was used to analyze the measurement in section A, the demographic profile. Female participants had a higher frequency than male participants do. Most participants dropped between the age of 20-29, which is 61 respondents (57.5%), and three respondents (2.8 percent) from 19 years below, 12 respondents between age 30-39 years (11.3 percent), 28 respondents between age 40-49 years (26.4 percent) and lastly, 2 respondents between ages 50-59 years (1.9 percent). The unwavering quality test result for aim to buy which comprise of five questions is 0.804 or 80.4%. The model's linear regression test showed that the model's R-square is 0.493. This means 49.3 percent of the variance in the dependent variable described by the model, which is the intention of the consumer to buy. It seems not possible to explain the remaining 50.7 percent which means that other factors can be used to determine the facts. The output of the result displayed the correlation between customer buying intention and attractiveness is 0.692, which means it was moderate. The trustworthiness has the result 0.349, which was small but had definite relationship correlation. Meanwhile the correlation variable expertise was not significant. Thus, the variable was having non-correlation with consumer buying intention.

Researchers Aradhana Pokharel and B. Pradhan (2017) studied the influence celebrity endorsement on customer buying behavior of FMCG in Kathmandu valley. The study showed that celebrity endorsement may not be the top motivation for purchase intention of buyers. As per her research, brand is the most popular convincing reason to purchase fast moving consumer goods. The summary of the hypotheses of the study showed that all hypotheses were rejected same as of the variables used in this study. The main attributes of the celebrity endorsers including attractiveness, trustworthiness, expertise and some other factors are assessed. It was found from the study that gender does not have any substantial relationship with the purchase intention of FMCG. There was no significant effect of celebrities' trustworthiness, attractiveness and expertise upon consumer buying behavior related to FMCG derived after ANOVA test. It was concluded that there exists significant relationship between mean purchase intention and all attributes comprising attractiveness, trustworthiness, popularity, expertise and other factors after correlation analysis.

In a paper by Rojan Baniya (2017) 300 questionnaires were distributed to the general consumers residing in Kathmandu valley. Altogether, 220 questionnaires were returned and were found usable. Fifty six percent respondents of the study were male. Eighty five percent of the respondents were of age 16-30, 12 percent of 31-45. The regression analysis result revealed physical attractiveness and source credibility expertise except credibility trustworthiness, all are significant predictors of purchase intentions. Most of the relationships except between trustworthiness and attitude towards brand had at least medium strength. But, the paper stressed that these correlation analyses, as suggested by several management researchers were not robust enough to test the proposed hypotheses. The study shows physical attractiveness of celebrities has positive impact on both attitude towards brands and purchase intention. The study shows that source credibility trustworthiness was not significant in explaining attitude towards brands, however source credibility expertise was.

From ANOVA test, the level of significance was calculated as 0.00 which is less than 0.05 and also signified that there was a significant influence of multiple regression models over the dependent variable, consumer buying behavior in this research paper. The study found that majority of the respondents trustworthiness, expertise and attractiveness attributes of any celebrity is positively related with buying behavior of consumers after Pearson's correlation analysis. The highest correlation coefficient can be observed as 0.58 between buying behavior and attractiveness which indicated that the attractiveness factor led to increase in the buying behavior of young consumers in Kathmandu valley and the relationship was significant at 1 percent level of significance. It also indicated that attractiveness is moderately correlated to the buying behavior of consumers and has a positive linear correlation. The correlation coefficient between buying behavior and trustworthiness was 0.53 and expertise was 0.45 which suggested that an increase in trust or expertise for the celebrity endorsing products also led towards increment in

the buying behavior of consumers taken under the study. The correlation was significant at 1 percent level.

ACKNOWLEDGMENT

I want to express my gratitude to Dr. Gopal Thapa of the Faculty of Marketing at Nepal Commerce Campus for his insightful advice. He continuously let me to write this paper on my own, but he also guided me when he believed I needed it.

I want to express my gratitude to MBM Director Mr. Jit Bahadur K.C and the entire MBM family support staff for sharing their knowledge and experience with me throughout this project. Additionally, I would like to thank the Nepal Commerce Campus's deputy director of MBM, Mr. Mahesh Chand, and former deputy director of the MBM program, Mr. Shankar Dhodary, for their invaluable assistance in creating the conducive working atmosphere for this study. The validation of this study would not have been successful without their passionate input.

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