

# SYNTHESIS STUDY ON PERCEPTION OF CUSTOMERS TOWARD CELEBRITY ENDORSERS FOR ONLINE ADVERTISEMENT

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## Abstract

The aim of this study is to examine the impact of celebrity endorsement on consumers' behavioural intentions. In this paper, a model is constructed to measure the incidence of the dimensions of celebrity endorsement on consumers' behavioural intentions. The approach being used is by analysing literature related to celebrity endorsement, consumer behaviour, consumer perception, and online shopping. The literature synthesis suggested that the impact of celebrity endorsement on consumers' behaviour intentions is depended on three major factors: attractiveness, trustworthiness, and expertise of the celebrity endorses. The findings from this study will be used for future research to uncover sub-factors from celebrity endorsers that influence consumers' behaviour intentions when shopping online.

**Keywords:** Celebrity endorser, consumer behaviour, consumer perception, consumer intention.

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## Introduction

Internet users in the world increase from years to years rapidly. As at 30 June 2016, the world Internet users are 3,675 billion that represents 50% from the global population of 7,340 billion (Internet World Stat, 2016). From that figure, 1,846 billion are users come from Asia region. In fact, the growth rate of Internet users from the year 2000 until 2016 is almost 918%.

Compared to the year 2015, the increase of Internet user recorded at 2.2% (Internet World Stat, 2016). Thus, it can be said that the growth of technology has made consumers to choose the Internet as their core medium of communication and marketers to need to take this advantage to promote their business online.

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With the evolution of the Internet and the internet-of-things (IoT), it drives a new mechanism for acquisition of products and services through social networking platforms, such as Instagram, WhatsApp, and Facebook. Across the world, there were 21.6 billion users of the social media in 2015, and it is expected to grow (Statista, 2015).

Previous research showed that social media is the most popular platform for sharing their user's activity. Social media can be described as a variety of new sources of online interaction that are created, initiated, circulated and used by consumers' intent on educating each other about products, brands, services, personalities and issues (Blackshaw & Nazzaro, 2004). Therefore, one of the major expansions in the e-commerce industry lately is social media shopping or social commerce that is expected to grow from time to time. Social commerce is no longer media hype, but it becomes an established practice that continues to grow and evolve (Wang and Zhang, 2012).

In social commerce, it involves business activities such as marketing, buys and sell, and application of its technologies to support online interactions and user contributions (Liang and Turban, 2011). Social media users connection at the end will lead to product discovery, market aggregation, product information sharing, and shopping decision collaboration (Shen, 2012).

A variety of goods could be acquired online easily including tickets, clothing items, home accessories, electronic gadgets, foods, and much more. Shopping activities over the Internet have been part of the lifestyle due to the benefits offered by online services (Wu and Wang, 2005).

This study, as part of a thesis research, will try to analyse customers' perception toward celebrity endorsers for online advertisement. The conclusions produced from this study will help organisations understand the causal effects of celebrity endorsements on consumers' behavioural intentions. The effective use of these endorsements may then improve organisations' marketing and promotional initiatives. In this paper, a model is constructed to measure the impact of the dimensions of celebrity endorsement on consumers' behavioural intentions.

## **Literature Review**

Researchers have suggested several theories attempting to explain how celebrity endorsement in advertising mechanism.

Researchers have pursued studies in celebrity endorsement topics in recent years. Examples of the survey include the study by Kamins et al. (1989) and Ohanian (1991) on the effect of celebrity endorsement that develops the perceived quality of brand; McCracken (1989) on the element of endorser's credibility and expertise on public image; Yoo and Donthu (2001) on the definition of consumer-based brand equity as combination of brand loyalty, brand awareness, perceived quality, and important memories; Blackwell et al. (2006) on the effect of celebrity endorser as powerful asset for marketers; Hakimi et al. (2011) on celebrity endorser influence towards young adult; Spry et al. (2011) on celebrity credibility influence towards the brand; and Hung et al. (2011) concerning celebrity worship on purchase intentions.

Other previous studies explained gender differences in attitudes toward celebrity endorsements. Female consumers responded more favourably to celebrity endorsements than males, and they preferred female celebrity endorsers to men (Klaus and Bailey, 2008).

Categorically related endorsements such as sports shoes endorsed by a sportsman have greater brand meaning consistency than unrelated endorsements, such as sports shoes approved by a singer (Chien et al., 2011). To conclude, the effectiveness of advertisements using celebrity appeals depends on three factors: attractiveness, expertise, and trustworthiness of the celebrities.

Today, in a very competitive business environment, celebrity endorsement has become one of the most popular forms of advertising (Choi & Rifon, 2007) and common marketing communication strategy for building brand image. Advertisers believe that the use of a celebrity affects advertising effectiveness, brand recall and recognition, as well as purchase intentions and follow through (Spry et al., 2011).

### ***Attractiveness***

Attractiveness refers to how likeable or physically attractive the others find the source (Choi & Rifon, 2012). Egan in 2007 furthermore emphasised that consumers might be concerned about the products that celebrities use every day, as it will be transcribed to their daily life.

While source attractiveness or physical attractiveness are already considered as an essential element of endorsement as seen in the literature, however, based on the study of Choi and Rifon (2012), we know that it is only truly important when the product is related to attractiveness, e.g. perfume.

Attractiveness also is not exclusively related to the physical condition, but also other elements of an endorser, such as skills and lifestyle (Patra and Datta, 2012).

The attractiveness also creates a positive attitude related to the consumers' purchase intention (Clow, 2006). It is convinced that attractiveness has a close relationship with the willingness to buy. A study showed that consumers were more likely paying attention on products endorsed by celebrities likely paying attention to products endorsed by celebrities compared to non-famous endorsers (Till, 1998).

### ***Trustworthiness***

According to Boyd and Shank (2004), trustworthiness is defined as buyers' confidence towards the endorsers, which includes the attributes of honesty, good faith, and objectivity. Trustworthiness can refer to the willingness of the endorser to give genuine and reliable information (Rhine and Severance, 1970).

Goldsmith, Lafferty, and Newell (2002) suggested that for an endorser to be able to be perceived as credible, they required ticking these boxes: expertise, trustworthiness, and attractiveness. It also refers to the "audience's confidence in the source to provide information in an honest and objective manner" (Choi & Rifon, 2012).

Specifically, another researcher concluded that trustworthiness could also be defined as "the honesty, integrity and believability the endorser possesses" (Van der Waldt, Van Loggerenberg, and Wehmeyer, 2009).

By creating a product that subconsciously linked towards a trustworthy endorser, a company can gain profit, as consumers who are already familiar and feeling safe, and has identified themselves towards a certain product or brand, are potential will become repeat consumers in the future (Rahadi, 2012). Therefore, companies should seek and find endorsers that are reliable, dependable, honest, and believable (Till and Shimp, 1998).

### ***Expertise***

According to Van der Waldt, Van Loggerenberg, and Wehmeyer, expertise is defined as a level where endorser is perceived to know and have enough experience, skills, and knowledge to promote and endorse a product.

Consumers will not believe the endorser's messages if they do not perceive the endorser have an adequate level of expertise when they are delivering their messages (Karmarkar and Tormala, 2010). Research is inconsistent in showing a correlation between source know-how and consumer persuasion; however, some articles show a positive relationship between the expertise of origin and positive change in consumer attitude (Choi & Rifon, 2012).

On the other hand, Erdogan (1999) cited that expertise in endorser credibility refers to knowledge, experience, and skills about the advertised brand and the expertise of the endorser is not essential unless consumers notice it to be so. As brand plays a significant part in the choice decision (Purwanegara and Rahadi, 2017), it is imperative for the endorser to be familiar and understand about the brand and the product that they are selling. Expertise is a role of consumer decision-making process to receive increasing research attention lately.

Finally, expertise seems to be essential in real life situations when consumers buy a valuable products or services. For example; when purchasing house, customers require the sellers that they have to answer any related question about these commodities. It means that the seller has to be an expert in their products or services.

### ***Summary***

The increase in consumer online nowadays is by the easiness of Internet access whether on a desktop or via smartphone. This facility helped increase the user dramatically online to engage with online businesses.

The diversity of products being sold online has given an opportunity for buyers to select purchase online as alternatives to the conventional way. However, the willingness of users to make online transactions still is influenced by various factors such as the level of trust among online sellers. The increase of fraud reported cases from year to year tarnished the genuine of online business.

In building trust, the seller will need to use a variety of methods to convince the users. The experience of buyers when dealing online can afford to be a testimony to the others. However, the trend of using celebrity endorser is seen as a shortcut to create a confident among the online seller. As well as increase sales for the product, it is indirectly able to change consumer perception towards the product sold. It will bring positive impact to the company image and product branding, but not all businesses can afford to pay for the cost of using celebrity as their product ambassador.

An appointment of the celebrity as an ambassador should critically and carefully analyse so that they match the cost incurred. The credibility of the celebrity used is considered as the vital element in selecting them as an endorser of company's product.

## Discussion and Conclusion

Based on the literature studies above, we can see that there are several syntheses that we can uncover involving the perceptions of customers towards online advertisement using celebrity endorsers. There are three factors involved in the effectiveness of advertisements using celebrity appeals: attractiveness, expertise, and trustworthiness.

For this preliminary study, we have concluded to produce the following conceptual framework, which will be applied through our future studies:

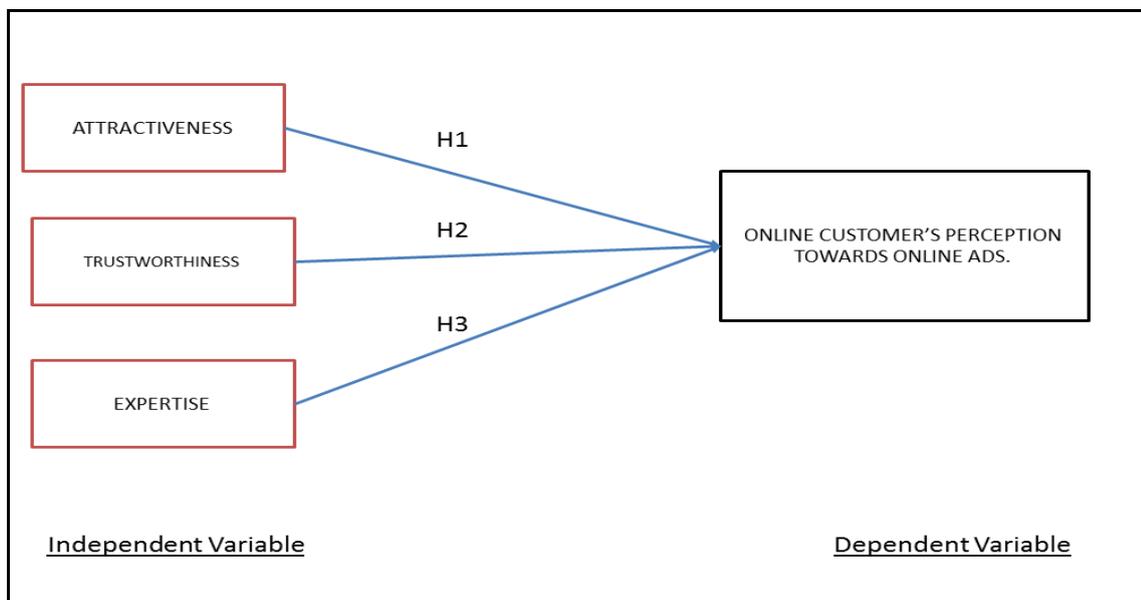


Figure 1: Conceptual framework (Author's Interpretation)

By referring to Figure 1, a conceptual framework is constructed to illustrate the factors that will affect costumers' perception toward online advertising by using celebrity endorsement. In this study, focuses on the three independent variables namely attractiveness, trustworthiness and expertise toward the dependent variable which is customers' perception of online advertising.

The customers' perception may influence the independent variable toward online advertising, but the inverse impact on the customers' perception of the three independent variables toward online advertising is much significant. Also, customers' perception will then influence consumer's purchasing intention.

From the conceptual framework used, the hypotheses have been developed for this study as follow:

*H1: Attractiveness of celebrity has a significant impact on online customer's perception of online advertisement.*

*H2: Trustworthiness of celebrity has a major impact on online customer's perception of online advertisement.*

*H3: Expertise of celebrity has a substantial impact on online customer's perception of online advertisement.*

### **Future Research**

This research is a ongoing and repeated process. Thus, this study aims to develop a theoretical framework to understand the importance of celebrity endorsement towards customer perspective in online advertisement scope. One of the main contribution of this research it will become as a reference to future reseacher who are going to make a study in the same area. A lot of previous researches has been done that focus on celebrity endorsement and customer perspective. But, most of that research focus more on celebrity endorsment againts conventional adversiting not online or Internet advertising. Thus, this investigation try to produce the result on customer perspective or behavior on celebrity-endorsement -online advertising.

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