

Influence of celebrity endorsement on the buying behavior of Nepal

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Abstract

The main objective of this research is to find out the influence of the celebrity endorsement on buying behavior of people in Nepal. A descriptive research design has been used for the analysis of available information. Four independent variables (Attractiveness, Celebrity, Expertise, and Trust Worthiness) and a dependent variable 'Buying behavior' are considered in this study. Structured questionnaires were distributed to the respondent for the collection of information. Responses from the 205 respondents have been used for the analysis. Questionnaires were distributed using the convenience sampling technique. Inferential statistics have been applied to interpret and analyze the data. Data are explained and analyzed using Excel and SPSS software. The result found that celebrity endorsement affects the buying behavior of people. The marketplace must carefully assess the celebrities to ensure that the target clients have a favorable perception of them.

Keywords: Attractiveness, Buying Behavior, Celebrity, Expertise, Trust Worthiness

Introduction

The most powerful role models that people look up to are undoubtedly celebrities. These kind of influencing forces, especially the rising star power of the present generation's Justin Biebers and Taylor Swifts, have a significant impact on the retailing industry as well as a brand reminder. These types of endorsements have been used for a while, but with the development of new technologies and management techniques from the perspectives of retailers, consumers, and celebrities, the potential of this publicity tactic has never been greater.

Celebrity endorsements are the main means of spreading advertising messages. Celebrity endorsements of products and services are becoming a common practice in advertising. Celebrities make hundreds of thousands of dollars from advertisement in the belief that they are spread their fame and prosperity to the products and services they endorse. Since the seventeenth century, celebrities have been utilized in advertising. As a result of these broad marketing strategies, many theoretical and real-world problems have become much clearer. The use of celebrity endorsements in advertising is becoming commonplace. Brand impression is impacted by a meaning transfer from the endorsement to the brand. It has developed into a multibillion-dollar enterprise.

Celebrities today enjoy a high reputation, distinct characteristics, and intriguing descriptions in the eyes of the general public as a result of the abundance of information and descriptions about them in the media. Celebrity endorsements could matter depending on the buyer's priorities and worldview. Consumer perception of the promoted items is influenced by the celebrity's physical appeal, believability, and consistency with the reference in the sanctioned marketing. Additionally, research shows that celebrity endorsements in advertising increase sales and product purchases. A celebrity endorsing a product makes people more likely to buy it, demonstrating how media today's consumers are influenced. The most popular models are used in the advertisements in an effort to grab consumers' attention and persuade them to learn more about the product, which ultimately increases their interest in that company's goods and services. In order to convey the message of the items, popular figures are utilized in the strategy. Because of this, companies favor them when raising awareness. Celebrities are frequently used as brand ambassadors because they can elicit more emotional and

affective reactions than non-celebrity endorsers. A celebrity must be able to effectively sell a product, raise consumer knowledge of it, and affect the buying patterns of the target market. (Ohanian, 1991).

A Hollywood celebrity is someone who is distinguished from the general population by extraordinary qualities, such as a special talent or way of life, and who exploits this distinction to promote a product by using it in an advertisement. They are popular in their community. According to several studies, celebrity brand ambassadors can favorably influence consumers' purchasing decisions. (Till & Busler, 1998). Additional new questions have emerged about celebrity endorsement as an advertising method, which, in the field of marketing and advertising in general, is not a static idea but is instead constantly evolving (Schimmelpfennig, 2015). The issue asks what elements, such as the endorsers' beauty, dependability, and subject-matter knowledge, actually affect the purchasing decisions of customers of Nepal. Similarly, the research wants to figure out what influences' consumers' purchasing decisions the most. From the viewpoint of Nepalese customers, this study aims to provide answers to those questions. Popular people can be excellent salespeople. The quickest and safest way for businesses to establish an affiliation and a bond with their target audience is to make themselves instantly recognizable to the globe. Since celebrity endorsement is a marketing tactic that involves celebrities advocating things, it quickly gains credibility when people see their favorite athlete or actress backing a product.

These personalities should be very well known to their intended demographic, even if they are not necessarily global superstars. We see celebrities on television, movies, radio, and magazines. Celebrity endorsements earn millions and billions of dollars yearly and are highly recognized in every area of advertising. Although using celebrities in advertising is incredibly expensive, it has gained popularity worldwide. The consumer's response to celebrity endorsements is that they increase recall of the message and give advertisements more credibility. Furthermore, Celebrity endorsements boost brand recognition, foster a favorable attitude toward the company, and give the brand its own unique identity. To market its goods or services, a business hires a person who is commonly identifiable, famous, or well-known by the general public. Baniya, (2017) investigated the research as fascinating and helpful in that it helps us better understand the celebrity endorsement process from the perspective of the Nepalese consumer. The study examined the relationship between brand loyalty and celebrity endorsement in the context of Nepal. The study contributed to the marketing field reaching a new high point. The findings of the study might be offered marketers highly valuable knowledge to create a better promotional strategy to expand Nepalese fast-moving consumer goods enterprises, one of the country's main economic sectors. Through a transfer of meaning from the endorser to the brand, celebrity endorsements affect how consumers perceive a brand. The patterns of connections between the celebrity and brand images are established by communication activities. When a celebrity endorses your business or signs a licensing agreement, profit from client awareness of the property, which may include the perception of the quality, educational value, or a specific image, according to marketing expert Patrick Bishop 2000. Consumers were more willing to spend extra for a high-quality, premium good after purchasing one with celebrity endorsements. Celebrity endorsement was acknowledged as a potentially effective strategy in communications. Celebrities are thought to be more influential than nameless models, and ads frequently express the celebrity's significance in relation to the brand. For the maker, brands provide the capacity to be distinctive, have legal protection, and a way to be recognized. Additionally, branding is a symbol of excellence and can be used to gain a competitive advantage, boost earnings, and cultivate a loyal consumer base.

Using celebrity endorsements in advertising is considered to be the best tactic for differentiating oneself from the competition. It has been demonstrated that using celebrities to promote a company would help it expand and become more valuable. However, selecting a celebrity to endorse a product is quite straightforward; the difficult part is making an apparent link between the product and the endorsement. Because of this, it is accurate to say that a celebrity endorsement is a two-edged sword: if used properly, it may do wonders for the company, but if used improperly, it can damage the brand's reputation. This study's objective is to examine the factors which influence the customer to buy the product and to analyze how celebrity endorsements impact on consumers' responses in Nepal.

Review of Literature

The majority of academic study on celebrity endorsements focuses on the trustworthiness of spokespersons and charismatic representations, and it contends that famous people persuade customers by exhibiting their traits in an external manner. (Ahmed 2012). In general, the use of famous persons in advertising dates back to the eighteenth century. Promotional tactics have clarified a large number of theoretical and real-world issues. The majority of academic study on celebrity endorsements focuses on the trustworthiness of spokespersons and charismatic representations, and it contends that famous people persuade customers by exhibiting their traits in an external manner.

Dissanayaka (2021) studied on the influence of celebrity endorsement on customer purchasing behavior revealed that the four primary pillars of celebrity endorsement were credibility, attractiveness, product matchup, and meaning transmission. Celebrity endorsement is made up of all four of these components, and our investigation also corroborated this. Another investigation into how celebrity endorsements affect buying patterns: The Lebanese jewelry sector served as an example of how celebrity endorsement of admirable notions, conjectures, and performance in the jewelry industry had a direct impact on how customers perceived products, how they made decisions, and how they acted., (Hani et al., 2018).

Fauzee & Dada, (2021) focused on famous people and influencers who were getting a lot of attention and how marketers were attempting to increase sales of their products by leveraging their authority. The way that consumers utilize social media to make purchases is greatly influenced by celebrities. by concentrating on the clothing and accessories that these famous people utilize.

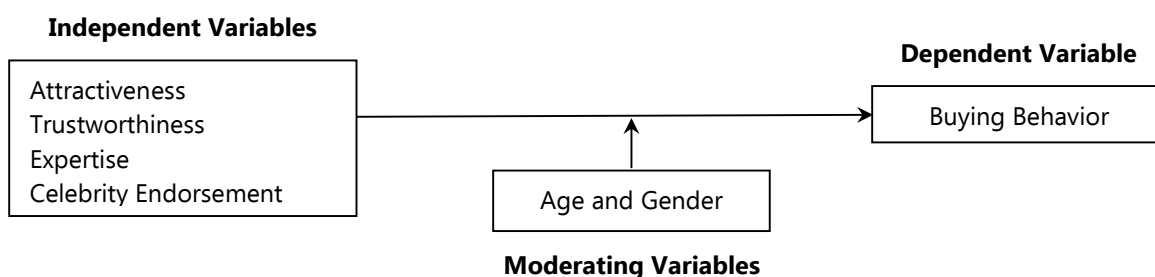
Bayode et al., (2021) examined in strong celebrity endorsements in advertising have grown in popularity and are now recognized as a successful tactic for boosting brand identification and marketing goods. As existing media grows more congested, making the need to stand out even more crucial, celebrities were the ideal way to secure brand exposure. The primary objective of the study was to investigate the effects of celebrity endorsement on consumer purchasing behavior among Pepsi consumers in the city of Ilorin, Kwara State. The study's explicit objectives were to investigate the effects of celebrity familiarity and trustworthiness on consumer purchasing behavior.

Joshua D. Gabucayan et al., (2022) explained the students from Manila's Centro Escolar University were employed to evaluate how celebrity endorsements influence consumers' decisions to purchase cosmetics. A quantitative descriptive correlation analysis was used to evaluate the relationship between the dependent and independent variables, used Spearman Rank Correlation. The sample size was determined using Slovin's formula, and the respondents were chosen using the proportionate sampling technique. The questionnaire was divided into four sections, including: a sociodemographic profile of the respondents; different types of celebrity endorsers; the influence of celebrity endorsements on purchase decisions based on their various quality attributes; and the relationship between identified celebrity endorser qualities and respondents' purchase decisions. Data was gathered using Google forms to assess the study's goals, and the outcomes of the study were further analyzed using the statistical tool Spearman Rank Correlation at 0.05 alpha levels. The study's findings were strong correlation between customers' purchase decisions and the endorsers' beauty ($r= 0.263$), knowledge ($r= 0.291$), and credibility ($r=0.122$) attributes. The overall findings demonstrated that attributes of knowledge and credibility had minimal positive correlations with respondents' decisions to purchase beauty products, whereas attractiveness had a weak positive link.

Conceptual Framework

A conceptual framework is a theoretical or logical representation of the links between the various elements that have been determined to be crucial to the study subject. This study aims to highlight if celebrity endorsement affects people in Nepal's consumer purchasing behavior. On the basis of review of literature following conceptual framework has developed.

Figure 1
Conceptual framework



It was important to understand the type of connection that existed between important variables as well as how these correlations behaved about various product categories.

Dependent Variable: Consumer purchasing behavior is the dependent variable taken into consideration for this research project.

Independent Variables: The independent variables are qualitative traits including attractiveness, credibility, expertise, and elements of celebrity endorsement. To gauge user and consumer impact and satisfaction levels, multiple choice questions are used.

Moderating Variables: These variables are the demographic characteristics or individual data that are taken into account for this research study and include details like age and gender. Other independent variables are influenced by these moderating variables.

Research Methodology

This study is descriptive in nature and is based on the respondents' viewpoints and impressions about the research topic, so this study has used a descriptive research design. Properly structured questionnaires with classification and objective sections are created to gather primary sources of data from residents of Nepal. Convenience sampling has been used for the selection of 205 respondents. To analyze the customer's reaction to celebrity endorsements, five-point Likert scale questions have been used. SPSS and Excel software has been used for analyzing the data.

Results and Analysis

Most of the respondents 36%, strongly agree that they purchase cosmetics based on endorsed advertisements, and only 4% strongly degree on purchasing cosmetics based on endorsed advertisements.

Regression Model

"R" denotes the correlation in the model summary, which essentially highlights the linear relationship between two variables (celebrity endorsement and purchase intention). The coefficient of determination, or R^2 , demonstrates a weakly positive link between the two variables.

Table 1
Multiple Regression Model

Variables	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
	B	Std. Error			
Constant	2789	0.79	172	326	.000
Credibility	0.289	0.01	-	246	0.003
Attractiveness	132	0.18	,054	71	0.290
Product match up	-063	0.79	-0.43	-76	0.314
Meaning transferred	.214	0.07	0.15	61	0.003

$R^2 = 0.7527$, Adj. $R^2 = 0.2173$, SE = 1.472, Sig. = 0.04, F. Stat. = 1.487

Dependent Variable: Purchase Intention

The hypothesis of "credibility" has been accepted since there is a positive and significant relationship among credibility and intent to buy and because the significance threshold is 0.003, which is less than 5%. The null hypothesis has been accepted and the alternative theory has been rejected because the "attractiveness" hypothesis' significance level is 0.29, which is greater than 10%. This shows that consumers' intentions to buy are not influenced by attractiveness in Nepal. The null hypothesis was accepted and the product matches up hypotheses was rejected since the significance value was once greater than 10%. This shows that there is no relationship between product match up and intention to buy. The significant value of 0.003%, which is less than 5%, indicates that there is a positive and significant effect of "meaning transfer" and purchase intention.

The majority of participants i.e., 68% paid their attention to celebrity-endorsed advertising, whereas only 32% paid attention to other advertisements. The respondent was interested in businesses with non-celebrity endorsements. Trust in celebrity-endorsed advertising: 52% of respondents said they always had faith in celebrity-endorsed advertisements, 24% said they only have faith in them occasionally, and 24% said they had no faith in them at all. Purchase cosmetics based on commercials that have been endorsing them: The majority of respondents (36%), strongly agree that they do so, while only 4% strongly disagree. 40% of respondents agree that they have no plans to buy cosmetics that are promoted by a celebrity yet have side effects. 36% of respondents are undecided about whether they plan to buy cosmetics with negative side effects but celebrity endorsements, while 4% strongly disagree. Influence to buy celebrity-endorsed cosmetics: On the influence to buy celebrity-endorsed cosmetics, respectively, 32% and 32% of respondents were influenced by the celebrities' attractiveness and credibility.

Conclusion

The research's conclusions provide practically significant information that marketers should take into account when selecting a celebrity for an advertisement. Customers' tastes for celebrity endorsers vary, and only a specific type of celebrity endorser can influence their purchasing decisions. There are some recommendations for marketers to make the impact meaningful.

According to the study, marketers should ensure that the celebrities they choose to represent their cosmetics brand meet the following requirements. Only well-known and reliable celebrities should be utilized by marketers. Reality is a crucial component, therefore when celebrities give meaning to the product they are supporting, this is something that should be taken into account. Celebrities who have received bad press of any type shouldn't promote goods. Such knowledge influences consumers, so celebrities with competence in the cosmetics industry should promote cosmetics to have a bigger impact. To prevent resource misallocation, businesses should rigorously evaluate whether using celebrities is actually essential. A company should look at a celebrity's life cycle stage at the time of the endorsement in order to prevent image change and the concomitant loss of public recognition that are related to celebrity endorsement. Thus, the markets must carefully assess the celebrities and ensure that the image that the target buyers perceive of them is positive. As a result, agencies can select superstars based on the crucial characteristics needed to impact specific demographics. For instance, both men and women believe that trustworthiness is the most important quality that celebrities should have, thus it is essential for businesses to choose celebrities that have a high level of trustworthiness. The company must also comprehend the connections between expertise, attractiveness, and trustworthiness. Attractiveness can help people perceive celebrities and products as knowledgeable and trustworthy. Before making an endorsement, the corporation must give it careful thought and conduct adequate research. They need to be aware of the preferences and purchasing habits of their intended clients. In order to capture the attention and pique the interest of the target market, the businesses must choose the appropriate celebrity endorsers.

Implications

The research implications describe how these findings may be significant for theory, policy, practice, and future research. In order for modern marketing companies to endorse celebrities in their marketing strategies, this

research's findings provided suggestions and information about the impact of celebrity endorsements on marketing. When choosing celebrities, marketing companies should take into account that superstars cannot have negative influences. Due to the strong association between trustworthiness and purchase intent found in this study, endorsements from highly credible celebrities are recommended. Based on celebrity effects on the buyer's intention, businesses and national marketing strategies should be supported in order to strengthen the economy.

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