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Literature Review

2.0. Literature Review

This literature review employs a theoretical explanation of the impact of celebrity endorsement on the consumer buying behavior. Advertising the product and services to the consumers is very critical because the consumers vary in the demographics. As a result, the marketing specialists have to conduct a deep understanding of the consumers in order to target right consumer at the right time.

The celebrity endorsement in the sports industry is getting hype that every sports company is endorsing their brands with the most likeable athletes. An athlete provides brand recognition and creates a positive association to the product through their physical appeal. This strategy also helps in the development of the brand personalities through endorsing the brand by the famous athletes. Michael Jordan is the most successful athletic endorser ever, with a net worth \$640 million, all he gained from the endorsements.

The understanding of the consumer behavior helps in classifying the consumer needs and wants and what factors influence them make decisions to make decision about a product or service. This helps the marketing specialist to take an effective decision that will meet the needs of the consumers.

The marketers brainstorm themselves and design strategies to attract the customer's interest to their brand, they try to differentiate their offering from their competitors by influencing the buying behavior of the consumer. To obtain these objectives, different marketing techniques are tested such as celebrity endorsement which is getting common nowadays. Marketers use celebrities to increase their number of sales as well as to increase brand equity and brand loyalty. The products which are endorsed by the most famous celebrities have created great impacts on sales of the product. The study also concludes that the companies who are using the celebrity endorsement strategy have more brand recall, brand awareness and credibility.

According to Kuester & Sabine (2012), explained the consumer behavior as “the study of individuals, groups or organization and the processes they use to use the product and services to satisfy their needs and impacts the societies through their processes”. This implies that consumer behavior incorporates the concepts of psychology, anthropology, sociology and economics. It studies the characteristics of consumers as an individual such as the demographics and behavioral studies for the understanding of people wants and desires (Lynn & Angeline, 2011).

The history of celebrity endorsement is very ancient which started in the 19th century and these promotional practices have been carried out in a large quantity of genuine contemplations. Marketers use celebrity endorsement because the celebrities have positive images in the minds of the consumers so it eventually passes on to their brands which are associated with their celebrities (Lee & Thorson, 2008).

This research is conducted to study the impact of celebrity endorsement on the consumer buying behavior. There are some various factors which are already being studied on the same topic that which factors mostly influence the consumer buying behavior or they are influenced by the products endorsed by the celebrities (S. Sathish, Dr.A.Rajamohan. 2012). Celebrity Endorsement is viewed as a billion dollar industry in the 21st century (Balakrishnan and Kumar, 2011).

Celebrity endorsement of a company's product is dominant because they have the potential to reach a large amount of existing consumers and prospect new consumers. The brand reach is defined as the the number of people that have seen the the brand's message once or more than that (Belch & Belch, 2012).

2.1. Celebrity

2.1.1. Celebrities as Spokespersons

Celebrities play the role of spokespersons in corporate advertisement and promotion campaigns to promote services and products (Kambitsis et al., 2002). Celebrities who represent a company or brand over an extended time period in person, TV commercials and print are often called company's spokesperson (Schiffman & Kanuk, 1997). The main reason for using celebrities as endorsers and spokespersons is the huge influence they wield over the masses. In comparison to other endorsers, celebrities achieve a higher degree of recall and attention. They enhance and increase the awareness of a company's advertising efforts and foster positive feelings in relation to the product or service and are perceived by customers as far more entertaining (Solomon, 2002). As a result the use of a celebrity, especially in advertisement, is likely to have a positive influence on consumer brand attitude and purchase intention and

behavior. It is held that a well-known individual will tend to have a greater effect on consumer purchase habits (McCracken, 1989).

2.1.2. Celebrities and Marketing Strategies

In today's society, it is very common for major companies to engage celebrities as a part of their marketing and advertising strategy. This is done to support and bolster corporate and brand image. In a survey conducted by Business Week in the US revealed that nearly 1 in 3 TV commercials used celebrity endorsement. A common advertising message which is communicated to all groups of customers is more effective when compared to messages that target specific groups of customers. One challenge that is faced by common advertising messages is the need to reach large groups of consumers at low cost. As a result of the global recognition of the celebrity using celebrities is a good means to reach a wide and culturally diverse audience (Clark and Horstman, 2003). Marketers hire celebrities in the hope that consumers who are followers of these celebrities will purchase and consume brands that are associated with those celebrities. Moreover, celebrities develop and maintain the needed attention and as a result promote and create high recall rates of the TV commercial (Croft et al., 1996). The notion behind the popularity of celebrity advertising is the belief that brand image which is developed through celebrities attain a greater degree of recall and attention for customers, and this eventually translates into higher sales revenue for the company.

There is strong and persuasive evidence that suggests that use of celebrities in advertisements delivers a premium when it comes to impact. In a study of 248 celebrity centered print advertisements which was conducted by Gallup and Robinson covering the period from 1982 to 1993 reveals that celebrity advertisements have a 34 percent higher level of awareness

when compared to non-celebrity advertisements. The marketers hope that this enhanced awareness along with the attractive attributes of the celebrity are transferred and linked with the brand which is being advertised and promoted and this polishes the company's and brand image (Mooij, 1994; Dickenson, 1996).

2.1.3. Celebrity Selection

Selecting appropriate celebrities for endorsements is vital to a brand's success. These celebrities are very effective because they bring to the brand being endorsed a number of characteristics that customers use when it comes to evaluating the brand. There is an extensive body of literature that has studied the nature of these characteristics. For example, it is well known that celebrity gender, trustworthiness, physical attractiveness and other similar characteristics have a significant influence on consumer response to a company's or brand's advertisement (Friedman & Friedman, 1978; Joseph, 1982; Lynch & Shuler, 1994; Tripp et al, 1994). Today, about twenty percent of all TV commercials in US (Bradley, 1996) and Great Britain (Erdogan et al., 2001) comprise celebrity endorsements and nearly ten percent of expenditure on advertisements goes to celebrity endorsers (Bradley, 1996).

2.1.3.1. Physical Attractiveness

Being physically attractive is an information cue which entails effects that are pervasive, nuanced, subtle and inescapable; beauty is often considered a greater recommendation compared to any letter of introduction (Ohanian, 1991). A celebrity's physical attractiveness captures

audience's attention both in electronic and print media. Physical attractiveness positively affects consumer's behavior toward the product. A study found that celebrity attractiveness produces significant results because consumers are themselves conscious when it comes to their looks (Kahle & Homer, 1985).

2.1.3.2. Trustworthiness

Trustworthiness refers to an endorser's integrity, honesty and believability (Erdogan, 2001). Consumers generally associate trustworthiness with celebrities they follow and consider them a trustworthy source of information (Goldsmith et al., 2000). As a result they are more likely to buy a product or service that is associated with their celebrity, especially if the celebrity is a person with expertise (Hung et al., 2011). Therefore it is argued that a celebrity's credibility is one of the valuable sources which have a positive effect on intent to purchase a product or service.

2.1.3.3. Expertise

The term expertise can be defined as the degree to which the communicator of a message is perceived to be a source of valid statements and assertions. Endorser's expertise has positive effect on the receivers. As a result celebrities with greater skills and knowledge have greater power of recommendation compared to their low expertise counterparts. Therefore celebrities with expertise and knowledge are more likely to influence a consumer's buying habits and patterns.

2.1.3.4. Congruence

Celebrity alignment and congruence with the product is of equal importance when compared to other factors (Kotler, 2005). The association between the product and celebrity is a

significant factor when it comes to generating positive feedback for the product. Congruent endorsers perform better in comparison to those who are not (Jagre et al., 2001).

2.1.3.5. Intention to Purchase

Purchase intention refers to the plan or intent to buy something in the future. But before this decision is made a cognitive process is set into motion which affects consumer perception with respect to the product or service. The attributes and qualities of a celebrity develop the attitude that triggers purchase

2.2. Consumer Buying Decision Process

The consumer buying decision process describes the whole journey of a consumer which he goes through before buying a product or a service. The marketer must have a clear understanding of his consumer who is buying the product. The decision-making process continues to be a dominating factor in the consumer buying behavior (Mohr, Deborah, and Katherine, 2001). The consumer buying process is the model given by Engel (1985) which views consumer purchase as a whole process that consists of several steps. The process depends on upon the factors that are considered before making the decision about the purchase of the product. Deciding on the steps is an essential thing which marketers should focus on.

2.2.1. Problem Recognition

This is the first step towards the consumer buying decision-making process. The need or the problem recognition is the first step without which the purchase cannot take place. The need can be generated by the internal stimuli (such as hunger) or external stimuli such as word of mouth (John Dewey, 1910). According to Engel (1985), a consumer may have a discrepancy between the actual state and the desired state. For example, if a person is feeling hungry and needs food so this need has to be fulfilled. Problem recognition can emerge in the consumer's mind, but it can be influenced by the external factors such as advertisement, TV commercials, product displays or other marketing tools.

2.2.2. Search

After the need recognition, the next step is to gather information to find the best solution for the arousal of the need by the consumer. The consumer will start searching the products related to his needs as well as the internal and external businesses, to identify and evaluate the information.

2.2.3. Evaluation of Alternatives

Evaluation of alternatives is the third stage of the consumer buying decision process, the consumer will compare various brand of the same category, that has the ability to satisfy his need or recognized problems (OB series, 2007, p32). The consumer will prioritize that brand which he

has already purchased earlier known as repeat purchase and if he is satisfied with the brand he will buy that brand again.

2.2.4. Purchase Decision

The purchase decision is a state where purchase takes place by the consumer. According to Philip Kotler (2009), the purchase can be interrupted by the two dominating factors as, negative feedback and the level of motivation to accept the feedback. The purchase decision is based on the motivation towards the purchase with the quality of the brand and its attributes. Once the consumer is satisfied with his research, quality, brand attributes he will implement the decision to purchase the product.

2.2.5. Post Purchase

Post purchase is a kind of behavior that is exerted by the consumer after he had purchased a product or a service. It will be either satisfaction or dissatisfaction with the product bought. According to Kotler (2004), if the product performance is not up to the expectations of the consumer it will result in the dissatisfaction. If the customer is not satisfied it directly affects the business success as satisfaction is the main determinant towards the business success.

2.3. Factors that Influence Buying Behavior

As already discussed the buying decision process, it is a process in which people search for product and services to satisfy their needs and wants after selecting the product on the basis of the different alternatives and its evaluation. In the case of the regular or repeat purchases, the customer can skip one of the steps.

According to Brewster, Sparrow, and Vernon (2007), the factors that affect the consumer's buying behavior may vary according to the demographics. It can also vary from culture, norms, and traditional values. In contrast, Park and Kim (2003) have a different theory about the factors affecting the consumer buying behavior. According to Park and Kim (2003), they emphasized more on the psychological influence as the main factor of consumer buying behavior. Psychological influence can be one of the factors that affect the buying behavior of the consumer but it does not totally depend on a single factor. The factors that affect buying behavior can be internal and external.

2.3.1. Internal Influences

The internal factors are concerned with the consumer itself, how he recalls the brand and how he has stored a particular brand in his memory (Arnold and Zinkhan, 2004). They have elaborated in their research that the consumer becomes selective about a product when he has a perception about it. However, on the basis of their selective exposures, the consumers draw a picture in their mind of brands, products and marketing channels.

2.3.1.1. Perception

Perception is a very fundamental part of consumer behavior, it is discussed as a process of giving meaning to the sensory stimuli. Perception plays a very important role in the consumer buying

decision because people control their actions and reactions on the basis of the perceptions (Angulo and Gill, 2007).

2.3.1.2. Attitude

Consumers' attitude endures a favorable or unfavorable evaluation of a product or service. They have tendencies to give some action against a product. The attitude of a consumer is important to the marketing specialist because, the specialist on the basis of the consumers' attitude summarize the consumers' evaluation of a product (Belch & Belch, 2004).

2.3.2. External Influence

External influence also affects the consumer decision making because a consumer cannot make a decision in seclusion.

2.3.2.1. Cultural Influence

The individual of the society has imposed some cultural values that directly affect the buying behavior of the consumer. The marketing specialist has to closely monitor the cultural differences prevailing in the country and have to design their plan accordingly. Cultural factors cannot be ignored because it can bring a huge cost to the company (Schauster, 2013).

2.3.2.2. Social Influence

Social influence can easily mold the buying behavior of a consumer because it has a direct link to the social class of the consumer. Consumers' social classes differ in the context in they use a product and services for their entertainment (Solomon, 2014).

2.3.2.3 Family Influence

Family is a dominating factor when you decide to buy a product or service. It is linked with the culture as well as social influence; family has a strong influence on the one's buying behavior.

Theoretical Framework

Celebrity has become a major marketing strategy to brand their product as well as the customers. The celebrity endorsement has a great impact on the consumer buying behavior because it is a

way to increase the sales and growth in the market (Bearne, 2015). The purchasing decision of the customers does have impact on the factors of consumer buying behavior. On the other hand, consumer buying behavior is referred to the final consumers, who buy the product and services for their personal consumption (Kumar, 2010, p.218).

A definition of consumer buying behavior has been given by Schiff man and Kanuk (2000) as, it is a behavior consumers express when they need to satisfy their needs and desired and as a result they purchase the products or services within their available resources. As far as celebrity endorsement is concerned, it influences the consumers with respect to their needs, wants, their family and income groups (Lynn & Angeline, 2011).

The Meaning Transfer Model

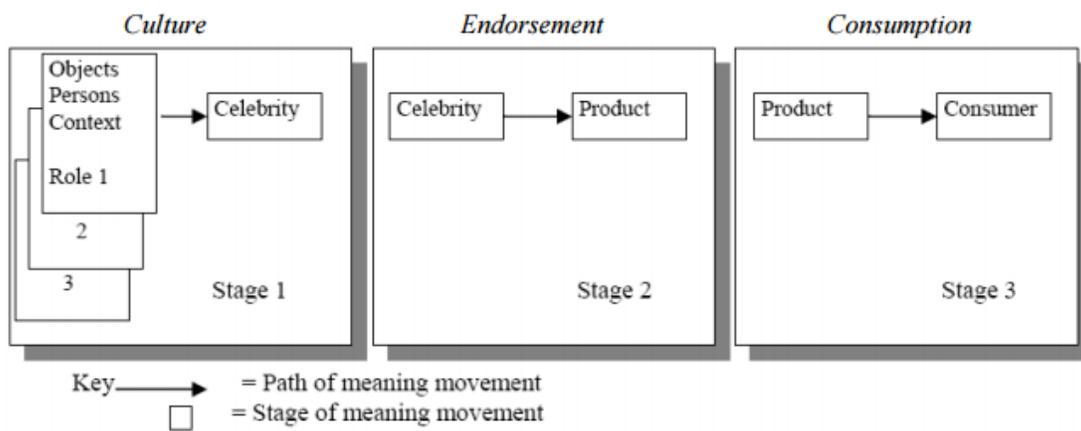
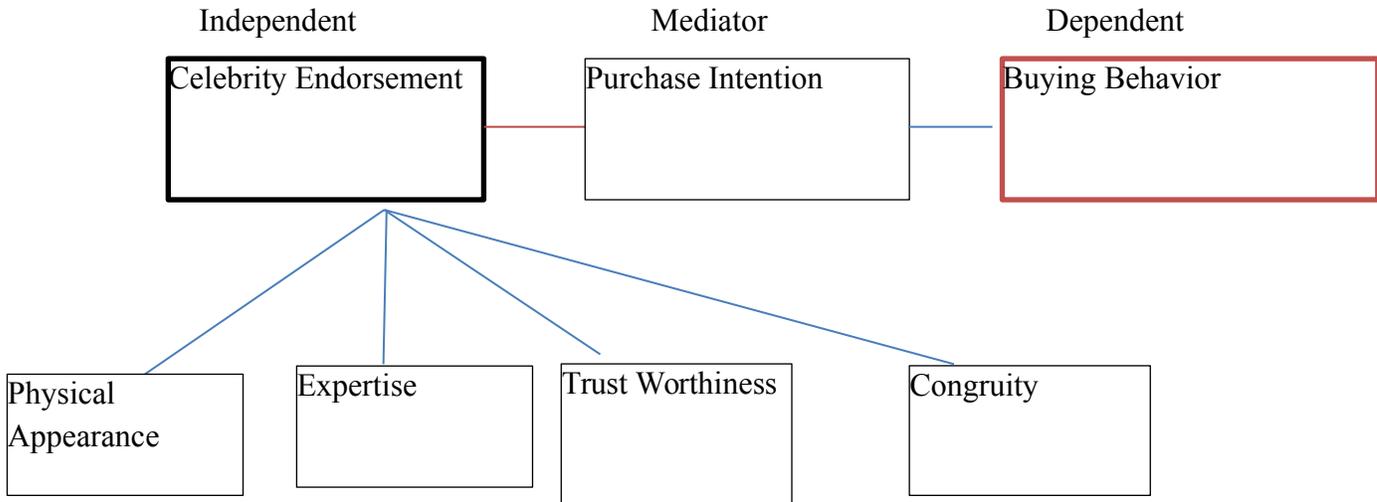


Figure 1: The Meaning Transfer Model
 Source: McCracken (1989), pp.45.

This model is divided into three stages as shown in the figure above. In the first stage, the cultural context of the society is highlighted and taken into account. It is evaluated in the stage 1 that whether the context, objects and the persons fit to the celebrity. The second stage is the stage of endorsement in which the celebrity is treated as brand or an endorser. It is then determined whether the symbolic characteristics possessed by the celebrity are the one that is required for the product. Soon after the celebrity is selected for the endorsement, the consumption process of the celebrity will start and through promotional activities the celebrity will be linked to the particular product. Finally, consumers link the brand with their favorite celebrities and get intended to link the product with them. Meaning Transfer is used especially when the celebrity and brand have a good match-up.

Conceptual Framework

The figure below represents the conceptual framework for the understanding of the impact of celebrity endorsement on consumer buying behavior.



Explanation of Variables

Independent variable: Celebrity endorsement

Determinants of independent variable: Physical appearance, expertise, trust worthiness and congruity.

Dependent variable: Consumer buying behavior

Moderator: Purchase Intention

Summary

From the available literature it can be concluded that celebrity endorsement has a significant influence on consumer intention and behavior. A celebrity's attractiveness, expertise and congruency are important variables which go a long way in influencing consumer purchase decision. Different celebrities have different attributes and qualities and can affect a consumer in different ways. In the 21st century, the celebrities are treated as the role models and people try to copy them with their styles and personality traits. These things directly influence the consumers buying behavior because the product is endorsed by their favorite celebrity. Celebrity endorsement attracts the consumers and it eventually increases the sales and the productivity of the company. Most of the time, celebrities do not always create any kind of impacts on the

consumers in terms of buying. But most of the time it creates a great impact on the perception of choosing any product. Consumers think that if our favorite celebrity is using a particular product then we should also use that to be like them.

Hypothesis

H1= There is a significant impact of celebrity endorsement on the consumer buying behavior

H0= There is no significant impact of celebrity endorsement on the consumer buying behavior.

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