

# Celebrity Endorsement and Purchase Intention of Telecommunication Industry in Sri Lanka

K.C. Koththagoda<sup>1</sup>, Sudath Weerasiri<sup>2</sup>

<sup>1</sup>Department of Marketing Management, Faculty of Commerce and Management Studies, University of Kelaniya, Sri Lanka

<sup>2</sup>Department of Marketing Management, Faculty of Commerce and Management Studies, University of Kelaniya, Sri Lanka

**Abstract:** *Celebrity endorsement on purchase intention has made significant influence in recent years within Sri Lankan telecommunication industry. This study empirically examines the role of celebrity endorsement on consumer purchase intention within the context of Sri Lankan telecommunication industry. Simple random sampling method was employed to select the individuals for the sample in western province. A total of 385 of telecommunication subscribers were selected for the study and data were analyzed using correlation matrix analysis. The results indicated that trustworthiness, expertise, attractiveness, respect of the celebrity has significant relationship with consumer purchase intention. Based on these results, it was recommended that celebrity endorsement is an effective aspect in terms of telecommunication advertising for the purchasing intention of the consumers. Therefore marketing managers should give critical attention when using celebrities for advertising telecommunication services because it influences on consumers purchasing decision.*

**Keywords:** Celebrity endorsement, purchase intention, Telecommunication industry, Sri Lanka

## 1. Introduction

The telecommunication industry is one of the fastest growing industries in Sri Lanka because the mobile usage has improved up to 100% of the total population of the country according to the Telecommunication Regulatory Commission (TRC) of Sri Lanka. It is estimated that the total fixed access telephone subscriptions are 2.562 million and cellular mobile telephone subscriptions are 25.87 million at the end of 2016 against around a 21 million total population in country. This is an increment of 7.8% and 13.4% respectively against 2015. Fixed telephone subscriptions are of 12.1 per 100 inhabitants and it is 122 for cellular telephone users (TRC, 2016). This is only the main two components of telecommunication usages and still broadband users, public pay phone users and narrowband users are contributing significantly for telecommunication service sector.

These emphasize the competitiveness of the industry and the necessity of strategically involvement to enhance the service marketing. According to Roos, Edvardsson and Gustafsson (2004), telecommunication industry is one of the industries which possess high rates of brand switching. Therefore all industry players in the telecommunication industry trying to retaining the existing customers and attract new customers to increase their customer base. Hence most of companies are constantly finding new ways to communicate their message in an effective ways to win more customers.

The use of celebrities as means of communication has been commonly utilized in advertising and branding to communicate brand images and information to consumers. Hence present context the celebrity endorsement is perceived as a conventional marketing instrument used by marketers. Companies that adopted the use of celebrity endorsements are able to build up brand image, promote brand awareness, brand equity, and ultimately to gain strong brand loyalty with increased sales revenue, even maximizing the returns on shareholders investments (White, Goddard, &

Wilbur, 2009) and (Dean & Biswas 2001). According to Till (1998) when used effectively celebrity endorsers have the potential of serving a valuable role in enhancing a brand's competitive position and developing brand equity. As an excellent practice, using brand endorsement is a common practice which can be seen in marketing products or services these days especially with regard of brands under telecommunication sector in Sri Lanka.

Significance of the amount of money spent over brand ambassadors by companies hold those brands and the true value it adds to the top of mind position in consumer minds is very important enough to research for. Not like other traditional promotional methods, this seems to be having a significant impact over consumer buying behavior in telecommunication service sector and study of this condition takes significant need.

So the focus of this research will be identify whether the huge sum of money spend on celebrity brand endorsement is worthy to invest and analyzing the relationship of celebrity endorsement towards consumer buying behavior of telecommunication brands by Sri Lankan telecommunication brands users.

Most of the researchers have shown the use of celebrity endorsers can create positive consumer buying intention towards the brand. According to Martey (2004) in spite of these huge benefits that lie in the use of celebrity endorsement, many companies today, still argue and doubt the reality of it, they believed in the perception that it is an expensive form of advertisement or publicity and its benefits cannot be guaranteed with high certainty. Besides, it is associated with some form of risk investments. To a large extent, some companies consider celebrity endorsement a myth and a theory rather than given a practical perspective or approach. Thereby, they are unable to reap the benefits thereof. Because huge amount of money spent by advertisers in the industry for brand endorsers, there are few evidences

to justify the true impact over consumer purchasing decision will only influence from brand endorsement.

Therefore it has a significant research gap which should be fulfilled and need of discovering the factors hidden with this particular research area. Accordingly this study focuses to examine the role of celebrity endorsement in purchase intention among mobile telecom users in the western province in Sri Lanka.

## 2. Literature Review

According to McCracken's (1989) definition, a celebrity endorser is an individual who enjoys public recognition and who uses this recognition on behalf of a consumer good by appearing with it in an advertisement (marketing communication). It has shown that in general celebrity endorsement influences the feelings of the consumers and can also influence the attitude consumers have towards the advertisement and attitude towards the brands, which can increase the purchase intentions and, consequently, increase sales. Because celebrity endorsers play an influential role in appealing to customers' emotion, feeling, humour, taste and preference about a particular product brand (Severn, Belch & Belch, 1990), (Belch & Belch, 2001) and (Sunderland, 2003).

Moreover, Celebrity Endorsement assists in the image polishing of the company's image (Erdogan, 1999). These lead to the conclusion that celebrity endorsements are likely to have a positive effect on product choice behaviour (Goldsmith, Lafferty & Newell 2000; Mathur, Mathur & Rangan 1997). Celebrity endorsers may now and then become a liability to the brand they endorse (Till and Shimp, 1998).

Further when consumers treat celebrities as their reference group, they very often want to imitate them in an effort to feel successful too (Forbes, 2011). Researches have shown that the use of celebrities in advertisements could positive influence on credibility, message recall, memory and likeability with regard to advertisements, and ultimately on purchase intentions (Pornpitakpan, 2003; Pringle & Binet, 2005; Roy, 2006).

According to pervious researchers on celebrity endorsement in product advertising that several characteristics of celebrities are identified to show the contributions among the various characteristics are not well understood. Previous studies which conducted on celebrity endorsement have given much priority on endorser characteristics. According to Shimp (2003) stated that the endorser effect has two general attributes, credibility and attractiveness, which contributes to an endorser's effectiveness, and that each consists of further distinct sub-attributes. The acronym TEARS is used to represent five discrete attributes: trustworthiness and expertise are two dimensions of credibility; whereas physical attractiveness, respect and similarity (to the target audience) are components of the general concept of attractiveness.

Thus, in this study, celebrity characteristics are measured by using five discrete attributes described in "TEARS model" as Trustworthiness, Expertise, Attractiveness, Respect and Similarity which is explained by Shimp (2003). Based on prevailing literature, this study draws on five hypotheses

where the trustworthiness, expertise, physical attractiveness, respect and similarity related to purchase intention.

## 3. Conceptual Framework

The conceptual model of the present study was designed using the constructs of the Shimp's TEARS model (2003) and consumer purchase intention as dependent variable. This model is presented in figure 1.

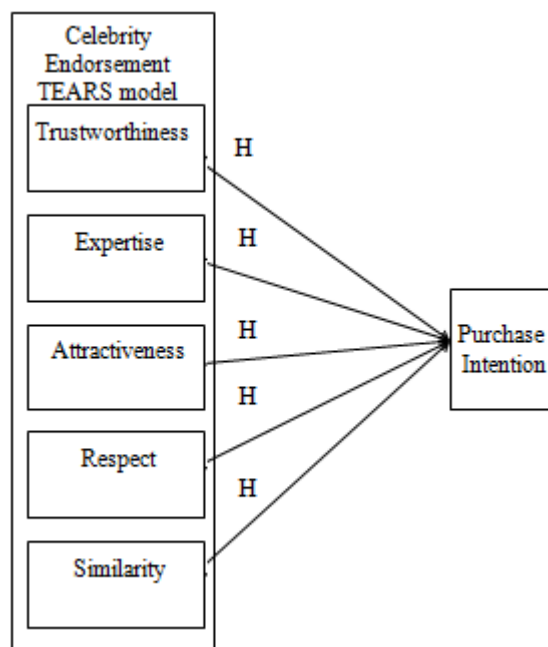


Figure 1: Conceptual Framework

According to this model, the research hypotheses are as following:

- 1) **H1:** There is a significant relationship between trustworthiness of the celebrity endorser and purchase intention of Sri Lankan telecommunication industry
- 2) **H2:** There is a significant relationship between expertise level of the celebrity and endorser purchase intention of Sri Lankan telecommunication industry
- 3) **H3:** There is a significant relationship between attractiveness of the celebrity endorser and purchase intention of Sri Lankan telecommunication industry
- 4) **H4:** There is a significant relationship between respect of the celebrity endorser and purchase intention of Sri Lankan telecommunication industry.
- 5) **H5:** There is a significant relationship between similarity of the celebrity endorser and purchase intention of Sri Lankan telecommunication industry.

## 4. Methodology

Simple random sampling method was used in the selection of 385 individuals as the sample based on target population of telecommunication subscribers in the western province. The Cronbach's alpha method was employed to estimate the reliability in this study and obtained the values which are above 0.7, of the least acceptable level in general. The results are presented in Table 1.

Data was analyzed using inferential statistics since it was required to generalize the results within the population.

Pearson Correlation Technique of the inferential statistics was used to test the hypothesis in the basis of testing linear relationship between independent variable and dependent variable.

**Table 1: Results of Reliability Test**

Variable	Cronbach's alpha of the sample	Number of items for measuring the construct
Trustworthiness	0.717	03
Expertise	0.771	03
Attractiveness	0.737	03
Respect	0.708	02
Similarity	0.730	03
Purchase intention	0.715	03

## 5. Results and Discussion

Table 02 shows the results of Pearson correlation analysis. The last column of the table describes the linear correlation between the independent variables and dependent variable "purchase intention".

**Table 2: Correlation Analysis**

		Trustworthiness	Expertise	Attractiveness	Respect	Similarity	Purchase intention
Trustworthiness	Pearson Correlation	1	.582**	.595**	.498**	-.036*	.656**
	Sig. (2-tailed)		.000	.000	.001	.361	.000
	N	385	385	385	385	385	385
Expertise	Pearson Correlation	.582**	1	.522**	.652**	-.144*	.637**
	Sig. (2-tailed)	.000		.000	.000	.076	.000
	N	385	385	385	385	385	385
Attractiveness	Pearson Correlation	.595**	.522**	1	.592**	.095*	.666**
	Sig. (2-tailed)	.000	.000		.000	.174	.000
	N	385	385	385	385	385	385
Respect	Pearson Correlation	.498**	.652**	.592**	1	-.028*	.535**
	Sig. (2-tailed)	.001	.000	.000		.390	.000
	N	385	385	385	385	385	385
Similarity	Pearson Correlation	-.036*	-.144*	.095*	-.028*	1	.594**
	Sig. (2-tailed)	.361	.076	.174	.390		.000
	N	385	385	385	385	385	385
Purchase intention	Pearson Correlation	.656**	.637**	.666**	.535**	.594**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	385	385	385	385	385	385

\*\* . Correlation is significant at the 0.01 level (2-tailed).  
 \* . Correlation is significant at the 0.05 level (2-tailed).

### Testing the Hypothesis

There is a positive linear relationship between all 5 independent variables and purchase intention in the 1% confident level. Hence all five hypotheses were accepted. The findings are presented in Table 3.

**Table 3: Hypothesis Testing**

Hypothesis	P-values	Correlation coefficient	Rejection or confirmation of Hypothesis
H1	p=0.000	r=0.656	Confirmation
H2	p=0.000	r=0.637	Confirmation
H3	p=0.000	r=0.666	Confirmation
H4	p=0.000	r=0.535	Confirmation
H5	p=0.000	r=0.594	Confirmation

This finding has been further proven from the discussion that celebrity endorsements are a powerful and useful tool that magnifies the effect of celebrities' endorsement on purchase intention with the uses of early researchers' findings.

The study investigated the relationships between endorse celebrity and purchase intention are consistent with previous studies. In fact Belch & Belch emphasized the necessity of

source to be trustworthy, in the nous of believability, honesty and ethics to the recipient's to accept the message. According to Priyankara, Weerasiri, Dissanayake, Jinadasa (2017) found that consumers usually require endorsers to be physically attractive if they are to increase the recognition of and purchase intentions towards a product or service. Belch and Belch (2007) said that information creditor have strong trust the person who is practical having related knowledge, expertise in encourage area. Further Xu (2008) found that celebrity endorsers can help boost the effectiveness of advertising, and are most effective in influencing the attitudes of consumers.

## 6. Conclusion and Recommendations

Finally we have concluded there is a relationship between construct of TEARS model of celebrity endorsement and the purchase intention. The study could demonstrate that celebrities endorsement has significantly impact to improve on purchase intention in telecommunication industry in Sri Lanka. From the findings, subscribers rated the influence by celebrity endorser as the highest of driving purchases for network products. This suggests that telecommunication network owners in Sri Lanka should give much attention on

the dimensions of TEARS model create and increase purchase intention for their service.

Marketers need to be smart enough to choose celebrities in their product or service advertisement as the personality of celebrity has link with the product and service what he/she is advertising on media. The right choice of celebrity for the right product advertisement is highly profitable for the company. We can confidently recommend companies that they should endorse celebrities in their advertisement because people really follow those celebrities and whatever they market in ads they wish and show inclination (willingness) to buy it.

Finally, the study of celebrity in service endorsement is yet to receive empirical attention in most third world and developing economies. Therefore, future studies should explore the celebrities across developed and developing countries so as to help in better understanding of celebrity as powerful instruments in marketing communication programme. Further should give much attention to examine broader spectrum while expanding the study across different categories of companies in the service industry.

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