Impact of Credibility of Celebrity Endorser on Purchase Intention and Advertising Effectiveness: Moderating Role of Experience

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Abstract:
The purpose of this study is to examine the impact of credibility of celebrity endorser on purchase intention and advertising effectiveness by considering the moderating role of experience. Survey questionnaire method was used and data have been collected by adopting the non-probability convenience with sample size of 400. CFA and SEM statistical techniques have been for analysis. Results demonstrate that the credibility of celebrity endorser has significant and positive association with purchase intentions and advertising effectiveness. Moreover, findings revealed that experience significantly
moderate on the relationship of credibility of celebrity endorser and purchase intentions. This study gives insight understanding regarding the crucial role of credibility of celebrity for advertising effectiveness and consumer buying behaviors.

Key words: Credibility of celebrity endorser, Purchase intention, Experience, Advertising effectiveness

INTRODUCTION

Endorser ambassador credibility has recognized major contemplation in the learnt literature (Sternthal et al., 1978; Goldberg & hartwick, 1990). The universal belief among advertisers is that publicizing messages conveyed by celebrities bestow an advanced degree of appeal, concentration and probably messages bring to mind than those carry by non-personalities. Marketers as well state that personalities have an effect on the credibility of the entitlements prepared, enhance the reminiscence of the message, and might present an optimistic effect that possibly will be widespread to the product. In spite of the possible advantages they are able to supply, celebrity advertising augments the marketers' monetary risk. Definitely, it is considered that by means of celebrities are redundant risks except they are very reasonably associated to the product. (Moore, 2004).

This study explicated that the brand endorsed by celebrity is be able to relocate into additional positive outlook and product appraisal by the purchasers (Baswas, 2001). Imperfect research has listening carefully on the principled quandary countenance by means of advertising practitioners. Even as customers are gradually more put emphasis on accountable and moral advertising put into practice, advertising practitioners are not accomplishing able-bodied in speak to the principled challenges in an attempt to generating
turbulence amongst consumer loop and marketing researchers. The problem occurs when marketers utilize contentious premises, extremist images, unsuitable and morally wrong verbal communication to gain reputation in the middle of the communal. The advertisement that includes slightly of the subjects is supposed to be unprincipled ad. It has been establish recently that firms are employing shocking leitmotifs in their invention to engender insincere drone. They similarly utilize means that are believed contentious via a great number of industry specialists and researchers (Zaman & Mehmood, 2015). The purpose of our study is to scrutinize the credibility of celebrity endorser on purchase intention and advertising effectiveness by moderating the role of experience.

LITERATURE REVIEW

Credibility of Celebrity Endorser and Purchase Intention

Celebrity’s credibility play significant role to shape the positive attitudes and purchasing behaviors (Lafferty, Goldsmith, & Newell, 2002). The celebrity endorser’s credibility influences on customers purchase intent and as well whether the celebrity’s experience with the use of authorized product substances to customers or not. Credibility of celebrity endorser stuffs for the customer earlier the permitted product likewise the celebrity’s experience with that brand usage (Lafferty et al., 2002). Businesses through celebrity endorsement policy for their advancement must sensibly choice the endorsing personality with comparatively extraordinary credibility (Goldsmith, Lafferty, & Newell, 2000). But sometimes celebrities are not matched with the products because their personality is not matched with the product e.g. Waseem Akram’s personality is not matched with Nestle cream because he is a sportsman and the product is the kitchen type so the celebrity and product are
opposite so people are less attracted towards the product as people are showed less willingness towards purchase intention. There are number of previous studies that also examined and proved significant relationshi between credibility of celebrity endorser and purchase intentions and consumer reactions (Goldsmith et al., 2000; Iqbal, Farooq, & Ahmad, 2014; Lafferty & Goldsmith, 1999; Lafferty et al., 2002). On the basis of literature, following hypothesis has been proposed:

**H1; There is significant and positive association between credibility of the celebrity endorser and consumers’ purchase intentions.**

**Credibility of Celebrity Endorser and Advertising Effectiveness**

One of the recent study explained the association between celebrity’s credibility and advertisement effectiveness and identified that credibility of celebrity really matters and positively influence the advertising effectiveness (Dom, binti Ramli, Chin, & Fern, 2016) and effective advertisement ultimately positively influence the consumer purchase intentions (Malik et al., 2013). Furthermore, Nisar, Shaheen, and Bhatti (2016) also signified that celebrities play great role towards advertisement effectiveness and attributes of celebrity ultimately influence the corporate image and loyalty. Moreover, one of the previous studies elaborated the positive association between celebrity credibility, customer’s feelings towards the advertisement, to the brand and their purchase intentions and advertisement effectiveness (Goldsmith et al., 2000). Advertisements with credible celebrity endorser produce extra trustworthiness near the variety and buyer repurchases the product yet again and again. Thus use a credible celebrity endorser in the advertisement is profitable idea for the corporations for be paid the market portion, revenues and
profits. When the firm blueprints its elevation policy for background an picture in the thoughts of customer then employing of celebrity endorser be supposed to not be just work but the assessment should be demeanor for understandings about the mainly credible celebrity endorser.

In addition, Gani and Aziz (2013) also highlighted the significant association between celebrity credibility and advertising effectiveness and it described the connection of credibility of celebrity endorser and advertising effectiveness with logical reasoning (Aziz et al., 2013). Moreover, there are number of recent studies that also proved a significant relationship between credibility of celebrity endorser and advertising effectiveness (Amos, Holmes, & Strutton, 2008; Goldsmith et al., 2000; Mansour, Diab, & Wilson, 2016; Munnukka, Uusitalo, Toivonen, & Biswas, 2016). Therefore, this study proposed following hypothesis:

\[ H2; \text{There is significant and positive association between credibility of the celebrity endorser and consumers Advertising Effectiveness.} \]

Moderating Role of Experience

Iqbal et al. (2014), examined the relationship between credibility of celebrity endorsement and purchase intentions while considering the moderating role of celebrity experience with the usage of that product. Results identified that celebrity experience with usage of product really matters for consumers to make purchasing decisions. This study proved that experience significantly moderated on the relationship of credibility of celebrity and purchase intentions (Iqbal et al., 2014). The products having low involvement and endorsed by an expertise having experience have a positive effect on intentions to buy by consumers (McGuire, 1985). Ohanian (1990) found that the experienced one performs the effective
role in the celebrity endorsement and it increase the credibility of a celebrity endorser rather than the attractiveness and trustworthy. Moreover, according to (Pappu et al. 2011) the increased trust in brand has an indirect impact on the brand and increases the credibility and trust on brand. The companies also use the strategy of using many endorser at the same for a single product (like Mobilink in Pakistan) in order to increase the willingness to buy by customer (Jensen et al. 1994). The customers can switch with the greater intentions to buy, if the competitor is offering greater convenience and trust (Ngobo, 2004). Therefore, the hypothesis is proposed:

**H3; Experience significantly moderates on the relationship of credibility of celebrity endorser and purchase intentions.**

**THEORETICAL FRAMEWORK**

**METHODOLOGY**

The purpose of this study is to examine the impact of credibility of celebrity endorser on purchase intention and advertising effectiveness by considering the moderating role of experience. Study is descriptive, quantitative and cross sectional in nature. Survey questionnaire method has been used and data have been collected by applying non-probability sampling technique and the sample size was 400. For credibility of celebrity endorser, advertising effectiveness and moderator experience
the semantic scale is adapted. For purchase intention 7 point scale is espoused. Questionnaire contains of two segments first section comprise the demographic of respondent including age, gender, education and the second section about variables i.e. credibility of celebrity endorser, purchase intention, advertising effectiveness and moderating by experience. The study is demeanor in marketing sector and target population includes general public and data collected from both male and female.

**FINDINGS**

**Table 1**

<table>
<thead>
<tr>
<th>Construct</th>
<th>Mean</th>
<th>SD</th>
<th>α</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Credibility of Celebrity</td>
<td>5.84</td>
<td>.581</td>
<td>.83</td>
<td>--</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endorsement</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Advertising Effectiveness</td>
<td>6.01</td>
<td>.555</td>
<td>.80</td>
<td>.607**</td>
<td>--</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 Experience</td>
<td>5.99</td>
<td>.647</td>
<td>.744</td>
<td>.402**</td>
<td>.543**</td>
<td>--</td>
<td></td>
</tr>
<tr>
<td>4 Purchase Intentions</td>
<td>5.88</td>
<td>.688</td>
<td>.773</td>
<td>.400**</td>
<td>.426**</td>
<td>.538**</td>
<td>--</td>
</tr>
</tbody>
</table>

**P<0.05**

The above-mentioned table is representing the descriptive statistics, reliability and Pearson correlation among all understudies variables. The highest correlation existed between credibility of celebrity endorser and advertising effectiveness which is valued at 0.607. It is reflecting that credibility of celebrity endorser and advertising effectiveness are positively related with each other with a moderate standard deviation. All other variables named as experience and purchase intentions are also correlated with each other. The mean values are showing the trend of responses that most of them are laid towards agreeableness. Results indicate that alpha values for all variables are under acceptable range to prove data reliability.
Table 2
Fit Index for CFA

<table>
<thead>
<tr>
<th>Index of fit</th>
<th>Cmin/df</th>
<th>P</th>
<th>GFI</th>
<th>AGFI</th>
<th>CFI</th>
<th>RMSEA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>2.88</td>
<td>.01</td>
<td>.952</td>
<td>.899</td>
<td>.930</td>
<td>.051</td>
</tr>
</tbody>
</table>

Table 2 illustrates the Goodness of Fit Chi Square and other values to determine that whether the chosen model has been an appropriate fit for reliability and validity check or not. Goodness of Fit Index (GFI) should be greater than 0.95, Adjusted Goodness of Fit should be greater than 0.8, CFI should be >0.95, Root Mean Square Error of Approximation should be <0.5. Thus, the results value of our measurement model being GFI=0.952, AGFI=0.899, CFI=0.930, RMSEA=0.51 being in normal range of acceptance proves that our model is fit to check the reliability and validity of scale being used providing a green signal to proceed.

Table 3
Fit Index for SEM

<table>
<thead>
<tr>
<th>Index of fit</th>
<th>Cmin/df</th>
<th>P</th>
<th>GFI</th>
<th>AGFI</th>
<th>CFI</th>
<th>RMSEA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>2.89</td>
<td>.02</td>
<td>.946</td>
<td>.890</td>
<td>.932</td>
<td>.059</td>
</tr>
</tbody>
</table>

Table 3 shows the fit indices of SEM. The fit indices determine the fitness between the recommended and the existence variance matrix. The first value proposed by the index of fit beindchisquare (DF) = 2.89 indicates the fitness of model being used. Moreover, the GFI determines the variance in the model which is 0.946 being quite fair, AGFI value being 0.890 shows quite a good fit, the RMSEA value indicating the difference between estimated variance and covariance from observed value being small as 0.059 is better, CFI comparative fit index value 0.932 is considered good. Thus, the results determine that the data is fit accordingly with the model.
Table 4
Psychometric Analysis

<table>
<thead>
<tr>
<th></th>
<th>CR</th>
<th>AVE</th>
<th>CCE</th>
<th>AE</th>
<th>EX</th>
<th>PI</th>
</tr>
</thead>
<tbody>
<tr>
<td>CCE</td>
<td>0.853</td>
<td>0.664</td>
<td>0.440</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AE</td>
<td>0.842</td>
<td>0.554</td>
<td>0.232</td>
<td></td>
<td>0.306</td>
<td></td>
</tr>
<tr>
<td>EX</td>
<td>0.814</td>
<td>0.611</td>
<td>0.241</td>
<td>0.311</td>
<td></td>
<td>0.373</td>
</tr>
<tr>
<td>PI</td>
<td>0.832</td>
<td>0.642</td>
<td>0.412</td>
<td>0.221</td>
<td>0.322</td>
<td>0.412</td>
</tr>
</tbody>
</table>

The above mention table is representing the discriminant and convergent validity of the model as the values of AVE and composite reliability are greater than 0.5 and 0.8 respectively that's why this model has convergent validity. As far as discriminant validity is anxious, it depends upon the values of square root of AVE which must be greater than the correlation values. As in table, the values of correlation are less than the values of square root of AVE so discriminant validity is also present in the model.

Table 5
SEM Regression Weights

<table>
<thead>
<tr>
<th>Relationship</th>
<th>Estimate</th>
<th>S.E.</th>
<th>C.R.</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase intentions</td>
<td>---</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertising effectiveness</td>
<td>---</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase intentions --&gt; Credibility of Celebrity Endorsement</td>
<td>.351</td>
<td>.088</td>
<td>.057</td>
<td>.01</td>
</tr>
<tr>
<td>Advertising effectiveness --&gt; Credibility of Celebrity Endorsement</td>
<td>.289</td>
<td>.079</td>
<td>1.255</td>
<td>.02</td>
</tr>
</tbody>
</table>

Table 5 shows regression weights and significance level for relationship hypothesized in H1, H2. The results provide an evidence that credibility of celebrity endorser have a positive and significant impact on purchase intentions (p<0.05; b=0.35) and supported to H1. Moreover, findings also reveals that that credibility of celebrity endorsement also significantly and positively related with advertising effectiveness (p<0.05; b=0.28) and supported to H2.
Table 6

MODERATION ANALYSIS
Output variables: Purchase Intentions
Moderating Role Experience on the relationship of Credibility of Celebrity Endorser & Purchase Intention

<table>
<thead>
<tr>
<th>Model</th>
<th>Coeff</th>
<th>se</th>
<th>t</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>int.</td>
<td>.29</td>
<td>.17</td>
<td>1.7</td>
<td>.02</td>
</tr>
</tbody>
</table>

Interactions:

<table>
<thead>
<tr>
<th>Int_1</th>
<th>C_C_E</th>
<th>X</th>
<th>EX</th>
</tr>
</thead>
</table>

R-square increase due to interaction(s):

<table>
<thead>
<tr>
<th>R2-chng</th>
<th>F</th>
<th>df1</th>
<th>df2</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>int_1</td>
<td>.08</td>
<td>12.1</td>
<td>1.0</td>
<td>111.0</td>
</tr>
</tbody>
</table>

Table 6 shows that experience significantly moderates on the relationship of credibility of celebrity endorser and purchase intention because interaction term is significant (P<0.05). Findings also indicated positive change in $R^2$ for interaction term that also proved that celebrity experience play moderating role and strengthen the relationship between celebrity credibility and purchase intentions.

CONCLUSION & DISCUSSION:

The purpose of this study is to examine the impact of credibility of celebrity endorser on purchase intention and advertising effectiveness by considering the moderating role of experience. Study outcomes proved the positive relationship among credibility of celebrity, customer’s sensation about advertising effectiveness and customer’s purchase intentions and supported to H1 and H2. Study also purported that celebrity experience regarding the usage of the products also moderate on the relationship of credibility of celebrity endorser and purchase
intentions and supported to H3. These results are aligned by previous study highlighted the positive impact of credibility of celebrity endorser on purchase intention and advertising effectiveness and also purported that moderating experience significantly affect purchase intention by credible celebrity (Gani & Aziz, 2013 & Ohanian, 1990) Ahmed el al., 2014). Celebrity Endorsement is significant for the businesses to seize the consideration of their customers for the reason that the spectators are inspired through the celebrities in readiness to purchase. We indicated that the celebrity credibility substance to respondent/customer to purchase a specific invention. This credibility not simply impacts the concentration of customers to buy the product but as well to cultivate a positive and significant word of mouth concerning the brand creature endorsed by the great credibility of celebrity. Experience of Supporter with the convention of endorse brand confidently or positively moderates the connection of purchase intentions and credibility of celebrity endorser.

PRACTICAL IMPLICATIONS:

This study has several practical implications as the businesses which utilize profile-raising policies, mainly celebrity endorsement need to vigilant while choosing celebrity for endorsement for the reason that our study plainly demonstrates that credibility of celebrity endorsers’ matters lots for customers. If the personality is eminent but not credible at that juncture it will not distress consumers’ readiness to purchase the endorsed item for consumption. Company ought to project their publicity policy after full research that which personality is suitable to recommend product rendering to their mark audience, custody the credibility reason in the awareness. Advertisements through the credible celebrity produce additional trustworthiness in the direction of the brand and
consumer repurchases the product repeatedly. It also creates association with the product and brand is well-thought-out as the credible product for of its credible celebrity endorser.

LIMITATION & FUTURE DIRECTION:

This research has numerous limitations. This research has been accompanied within very small period of time. Research sample size used at minor scale and has been solitary verified within one city Gujranwala, Pakistan. Recognizing these must be of support to recover future research. More investigation could examine the generalizability of the outcomes by means of additional celebrity endorsers, morals, and brands. The problem that is confronted through academic scholars is the extensive hole. There is much work that is required for research scheduled this arena in Pakistan. Future investigators can begin with qualitative conferences of customers and executives, so that scholars can well recognize the judgment and viewpoint of both investors. Scholar can too take estimation from kids customer of their insight of products by way of the upcoming generation is technology shrewdness and they are furthermore unprotected to the microelectronic advertisements channels in Pakistan. The learners of mass media science can likewise be supportive in the study for future. The possibility of research and investigation was limited due to non-accessibility of data of earlier research studies. The upcoming researches can practice data and outcomes that are delivered in present study.

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