The Critical Roles of Celebrity Endorsement in Telecommunication Device Industries

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Abstract—The purpose of this study was to examine the relationship between celebrity endorsement and purchase intention in telecommunication device industries. A structured and self-administered survey was used to get responses from the students as the sample target. The authors delivered 154 questionnaires to the students while 79 were retained and valid for the analysis. The instrument of the research was stated valid and reliable as the result of construct validity and reliability test. Multiple regression analysis was also used to test the hypothesized relationship of the research model. The empirical findings indicate that only trustworthiness of celebrity endorser has positively and significantly affected student intention to purchase smartphone. Meanwhile, the four other celebrity endorsement dimensions which consisted of expertise, physical attractiveness, respect, and similarity of celebrity endorser have not significantly affected student intention to purchase smartphone partially. In the other hand, all of celebrity endorsement dimensions have positively and significantly affected student intention to purchase smartphone simultaneously. This study had some limitations related to the aim of the study. The further study is suggested to set wider and bigger sample characteristic in order to get better generalization. Further study can focus on involving another constructs which were categorized as intervening or moderator variables that strengthen or weaken the relationship between the dimensions of celebrity endorsement and purchase intention. The study highlights the strategic importance of celebrity endorsement in obtaining positive responses of the market target. Hence, telecommunication devices especially smartphone industries are suggested to consider celebrity endorsers who have higher trustworthiness perceived by target market as the message source of their marketing communication strategies.

Keywords—celebrity endorsement; purchase intention; telecommunication device

I. INTRODUCTION

Previous research has found that celebrity presence in its role as a message source in an advertisement increases brand image which in turn affects customer buying interest. McCracken noted that the effectiveness of celebrities as endorsers derives from the cultural meaning they carry into the endorsement process [1]. The results of the research indicate that customer trust in a brand can be influenced by their perception of the values held by celebrities as endorsers of the brand. Furthermore, Pornpitakpan found that all components of the endorser credibility dimension consisting of expertise, attractiveness, and trustworthiness affect customer purchase intention in Singapore [2]. The results of this study are supported by Low which stated that celebrity endorsers could be role models or even reference groups for customers in deciding to purchase products in sport industry [3].

On the other hand, negative word of mouth of celebrity is negatively correlated with purchasing decisions. Other studies conducted by Sertoglu in Turkey note that only celebrity credibility has a significant effect on customer purchase intention [4]. Likewise, with Fern findings which illustrate that expertise, brand image, and fit between celebrity endorser and endorsed products have a significant effect on customer purchase intention [5]. In line with the previous research, Gupta revealed that celebrity endorsement had significant impact on customer purchase intention in India which was supported by Freeman that customer purchase intention was significantly impacted by trustworthiness, physical attractiveness, respect, and similarity of celebrity endorsers [6,7]. The study about celebrity endorsement also done by Kothisagoda who expressed that it categorized as an important role in increasing purchase intention in telecommunication industries [8].

Despite similarities with previous studies, Vien found that brand capability was more important than endorser credibility in positively affecting brand attitude [9]. Meanwhile, both endorser capability and endorser likeability were more important than brand credibility in positively affecting purchase intention. Vien placing the brand attitude as an intervening variable that was supposed to affect purchase intention as the research was conducted by Lim [9,10]. According to their finding, Lim noted that credibility, source attractiveness, product match-up, and meaning transfer have a positive impact on purchase intention through customer attitude [10]. Therefore, Adnan suggested that celebrity endorsement must be managed properly then would drive purchase intention [11]. In Indonesia, the similar studies have been conducted by Anggi and Fitri [12,13]. Anggi highlighted that brand image of mineral water has an important role as intervening variable between celebrity endorsement and purchase intention [12]. Meanwhile Fitri found that celebrity endorsement was one of the constructs that affect purchase intention beside attitude toward brand and brand image in

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communicating the brand used social media such as Instagram [13].

Different from the previous research, this study focused on measuring the role of celebrity as endorsers in assisting the telecommunication devices companies in raising their customer purchase intention. The internet users in Indonesia as one of the indicators that demand of smartphone was significantly increased to the higher level recently. In the period of 2015 to 2017, smartphone companies in Indonesia seemed to be competing to build their product brand image by involving a number of famous celebrities. For example, the Coolpad company has involved two artists during 2016, while Samsung boasted two artists, and Oppo placed twelve famous artists. Based on the celebrity endorsement model developed by Shimp and the findings of the previous empirical research, then the aim of this study was to find out the impact of endorser trust, expertise, physical attractiveness, respect and similarity both partially and simultaneously on customer purchase intention [14]. The findings of this study could be used by the marketing practitioner to decide whether involving celebrities in communicating their brands would be better or not beside giving the illustration of the importance role of each endorser characteristic in rising customer purchase intention and another managerial implication.

II. METHOD

This study used a quantitative approach with a survey method where the purpose of study was to test hypotheses using empirical data. The sample characteristics are 79 university students who are one of the millennial group who live in Cimahi, Indonesia. Respondents were confirmed as smartphone users who knew celebrity endorsers through various promotional media used by the company. Primary data was collected by distributing questionnaires that had been tested for validity and reliability using SPSS version 22. The questionnaire consisted of 14 items about celebrity endorsement and 4 items about purchase intention. The items of the questionnaire were modified and adapted from previous research instruments. All items in the questionnaire are declared valid as indicated by counted r greater than r table (0.374). Likewise, the instrument reliability test results showed that Cronbach’s Alpha 0.850 for celebrity endorsement construct and 0.739 for purchase intention construct more than 0.60.

The data that had been collected was then processed of editing, coding, and tabulating. Furthermore, multiple linear regression analysis with the assistance of SPSS version 22 was used to predict how much the value of the dependent variable would change if the independent variable was changed. While the t test was used to test hypotheses partially and the F test is used to test hypotheses simultaneously. In addition to the classic assumption test which consisted of normality test, linearity test, heteroscedasticity test, autocorrelation test, and multicolinearity test were used as requirements for multiple linear regression analysis.

III. RESULTS AND DISCUSSION

A. Results

Due to the data analysis, the classic ordinary least square (OLS) assumption was used to ensure that the proposed linear regression model showed a valid relationship equation. Based on the results of the data normality test using the Kolmogorov-Smirnov test was known that the significance value is 0.200> 0.05, which means that the regression model is normally distributed. While the results of the linearity test show that all p-values are greater than 0.05, which means that the relationship between the independent and dependent variables was linear. Furthermore, the p-value and β parameters of all dimensions greater than 0.05 based on the Glejsjer test indicated that heteroscedasticity did not occur. Likewise, with the results of the Durbin Watson test was known that the Dw value is greater than D_L and smaller than 4-D_U (1.772 > 2.025 <2.228) which indicated that autocorrelation did not occur. Furthermore, based on the multicolinearity test was indicated that variance inflation factor (VIF) of all dimensions smaller than 10 that had meaning there was no multicolinearity among independent variables.

Multiple regression analysis was used to determine the effect of each dimension of celebrity endorsement on purchase intention. Multiple linear regression test results were performed with the help of SPSS version 22 shown in table I. Based on the result of multiple linear regression test was indicated purchase intention would increase by 0.842 units due to an increase 1 unit of consumer trust to celebrity endorser. Likewise, an increase in 1 unit of consumer respect for celebrity endorser would increase the purchase intention of 0.323 units in conditions where other dimensions of celebrity endorsement were considered unchanged. Different things occurred in case of the three dimensions that made up other celebrity endorsement so increasing expertise, attractiveness, and similarity of endorsers based on consumer perceptions lead to a decrease of consumer purchase intention.

<table>
<thead>
<tr>
<th>TABLE I. RESULT OF THE T TEST</th>
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<tbody>
<tr>
<td>Model</td>
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<tr>
<td>-------</td>
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<tr>
<td></td>
</tr>
<tr>
<td>Constant</td>
</tr>
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<td>X₁</td>
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<td>X₂</td>
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<td>X₃</td>
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Furthermore, based on the result of the t test was recognized that endorser trustworthiness with a significance level of 0.000 indicating that the alternative hypothesis was accepted. Meanwhile, other dimensions of celebrity endorsement consisting of endorser expertise, endorser attractiveness, endorser respect, and similarity with celebrity endorser did not have a partial effect on consumer purchase intention which was indicated by the significance level of each dimension greater than 0.05. Therefore the trustworthiness of celebrity endorser was the only dimension of celebrity
endorsement that had a positive and significant impact on the consumer purchase intention of smartphones. On the other hand, based on the F test was known that a significance level of 0.000 indicated that all celebrity endorsement dimensions had a positive and significant effect on the consumer purchase intention of smartphone simultaneously. The result of the F test was shown in table 2.

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>212.071</td>
<td>5</td>
<td>42.414</td>
<td>10.004</td>
<td>.000</td>
</tr>
<tr>
<td>Residual</td>
<td>313.729</td>
<td>74</td>
<td>4.240</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>525.800</td>
<td>79</td>
<td></td>
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</table>

To find out more about the magnitude of the influence of celebrity endorsement on consumer purchase intention, the determination coefficient used for the purpose was shown in Table III. With a terminated coefficient of 40.3%, it indicates that the consumer purchase intention of smartphone was affected by celebrity endorsement by 40.3% and the rest was influenced by other independent variables besides the presence of intervening and moderator variables that can be examined later.

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.635*</td>
<td>.403</td>
<td>.363</td>
<td>2.059</td>
</tr>
</tbody>
</table>

B. Discussion

Based on the results of hypothesis testing was indicated that endorser trustworthiness had a positive and significant effect on consumer purchase intention. The results of the hypothesis testing support the research hypothesis which also showed its support for the previous studies conducted by McCracken which noted that consumer trust on a brand could be influenced by their perception of the values espoused by celebrities as the brand's endorser [1]. Although not fully supportive, Pornpitakpan stating that all components of the endorser credibility dimensions affect customer purchase intention in Singapore [2]. As stated by Low that celebrity endorsers can become role models or even reference groups for customers, smartphone manufacturers in Indonesia are advised not to ignore the important role of endorsers in supporting to improve brand image primarily through appropriate selection based on their level of credibility according to consumer perceptions [3]. Determination of celebrity endorser in accordance with consumer expectations would lead to positive word of mouth of the celebrity so that it was positively correlated with the purchase decision.

The findings of this research differ from the Sertoglu statement that customer purchase intention was only impacted by celebrity credibility [4]. This is very possible because research was conducted in different industries. Likewise, according to Fern who did not find that endorser trustworthiness had a significant effect on consumer purchase intention [5]. Even Vien stated that endorser credibility was not more important than brand credibility in positively affecting brand attitude [9]. However, the findings of this study support Freeman noted that consumer purchase intentions were significantly impacted by trustworthiness in addition to being influenced by physical attractiveness, respect, and similarity of celebrity endorsers [7]. The simultaneous test results of this study showed their support for Gupta and Kotthagoda found in telecommunications industries [6,8]. The results of other studies in Indonesia by Anggi and Fitri in different industries received support from the findings of this study [12,13]. McCormick who expressed that is very critical to choose an appropriate celebrity endorser for the success of advertising [15]. Therefore, Adnan and Lim suggested that celebrity endorsement must be managed properly then would drive purchase intention [10,11].

The support of the findings of this study on the previous studies had strengthened various propositions of the relationship between the concepts of celebrity endorsement and purchase intention. However, this study contained some limitations where the model used was a replication of a model developed by Shimp although the questionnaire items used to measure each construct have been adjusted with the sample characteristics of smartphone [14]. Therefore, further research could insert several other independent variables beside celebrity endorsement that were estimated influencing purchase intention as research that had been done by Hassan and Khan [16,17]. In addition, further research could be enriched by involving intervening variables by involving other marketing stimuli as done by Anggi and Fitri [12,13]. Another useful thing is to identify various other variables that might strengthen or weaken the relationship between celebrity endorsement and purchase intention through or without intervening variables. The moderator variables could be obtained from the results of identifying various factors which are psychological and consumer characteristics. As the buyer behavior model developed by Kotler [18], the psychological characteristics consisted of consumer motivation, personality, attitude, self-concept, and learning process. Meanwhile cultural, social, and personal characteristics were forming dimensions of consumer characteristics. By involving the intervening and moderating variables would affect the use of analytical tools requested for further research. Another limitation were the characteristics and number of research samples. For the purpose of broader generalization, sample were that matches the target market characteristics of the telecommunication devices industry. Another idea related to the study with the longitudinal approach was suggested in the future to see the impact of the presence of celebrity as an endorser on purchase intention based on different time dimensions.

The managerial implication of this research especially for the telecommunication devices producers to consider celebrities as endorsers of their brand in an effort to increase the positive responses of consumers in the form of purchase intention. By referring to the results of this study, consumer purchase intention of smartphone was more influenced by credibility of endorsers than other forming dimensions of celebrity endorsement. Hence, this is a signal for smartphone manufacturers to position endorser credibility as the main factor in making related decisions in using massage source of the advertising media. However, expertise, attractiveness,
respect, and similarity of celebrity with consumer did not mean that it could be ignored because it had a positive role simultaneously toward consumer purchase intention. Moreover, smartphone producers could do practical research that aimed to determine the positioning of potential endorsers based on the five dimensions of celebrity endorsement so as to facilitate decision making in the selection of the most appropriate endorser to help communicate certain smartphone brands.

IV. CONCLUSION

The findings of this study confirmed the importance of using celebrity as an endorser in communicating particular brand of smartphones. Consumers were expected to have higher purchase intentions if smartphone manufacturers involve celebrity in their advertisements. Unlike previous studies, endorser trustworthiness showed a stronger influence on purchase intention compared to the other four dimensions of celebrity endorsement according to consumer perceptions in telecommunication device industries. Therefore, the smartphone producers were given a choice of celebrities who had more trust based on consumer perception. Hence, it was necessary to design future research with the aim to obtain the description of celebrities who were supposed to be trusted by the consumers based on industry types. This suggestion did not mean that smartphone manufacturers could ignore dimensions of expertise, physical attractiveness, respect and similarity. Research results indicated that endorser trustworthiness and the other four dimensions’ influence simultaneously on customer purchase intention.

Some limitations in this study indicated that there were still many opportunities to conduct further research by adding other independent variables, especially marketing stimulus as a comparison of the role of celebrity endorsement in increasing consumer purchase intention. Likewise, involvement of intervening variables among celebrity endorsement and consumer purchase intention may be needed to find research novelty beside moderator variables that could strengthen or weaken the relationship between various variables. In addition, it is suggested that further research could involve greater and wider sample characteristics in context of geographic, demographic, psychographic, and behavioral with greater numbers to get better generalizations.

REFERENCES


