

Celebrity Endorsement and the Buying Behavior in Consumers of Nepal

Jitendra Prasad Upadhyay¹, Sanju Kumar Singh^{2*}

Faculty of Managenet, 1Nepal Commerce Campus, Tribhuvan University, Nepal
Department of Management, Faculty of Economics and Business, Universitas Airlangga.
jupadhaya@yahoo.com, singhsanju@feb.unair.ac.id*

Abstract. The main objective of the study is to analyze the influence of celebrity endorsement on consumers' buying behavior. Celebrity endorsement is considered the most effective tool to influence customers' buying behavior and motivate them to pay attention to the products produced by the company and the services provided by the company. Due to the specific nature of research objectives, descriptive and causal-comparative research design has been used. Celebrity endorsement has a higher impact on the Consumer Buying Behavior of Nepal. In this research, descriptive and causal-comparative research design has been used. The study focuses on understanding the consumers buying behavior based on different factors like gender, income, occupation, and education. The population of this research is the total youth of Nepal and out of the total population, a sample size of 384 respondents is taken using the convenience sampling technique which consists of people from different age groups, gender, income, and occupations. The results of this study indicated that there was a positive impact of celebrity trustworthiness, features of products and attractiveness on consumer buying behavior. Moreover, results showed that most of the consumers agreed that celebrity endorsers enhanced brand awareness.

Keywords: *Attractiveness, Trustworthiness, Features of products, and Consumer Buying Behavior*

INTRODUCTION

Celebrities' endorsements are being used to get the attention of the customers by involving the best models in the advertisement and motivating people to get attention towards the product because this will ultimately raise the customer toward that company's product. In this process, the message of the main motive of the product is explained by well-known personalities. So, they are preferable to the companies for developing the awareness. The use of

celebrities has been widely used as it could provoke attitudinal and emotional reactions than a non-celebrity endorser. To be effective a celebrity endorser should have the credibility to attract attention to increase awareness of the endorsed product and influence the purchase decision of the targeted audience (Hernández-Méndez & Baute-Díaz, 2023)

The use o.f famous persons in promotions is traced back to the nineteenth century and these general

promotional practices have revealed a large quantity of intellectual as well as realistic considerations. Mainly academic analysis of celebrity support encompasses the sphere of spokesperson credibility and charismatic representatives and recommends that famous persons exercise their impact on customers through apparent traits (Ahmed 2012).

Bowman (2002) argued that celebrity endorsements lead to an increased level of product recall. It has been found that using a celebrity in an advertisement would increase brand awareness. According to him, celebrity endorsement may be an element of the creative message strategy. Today the mass media are flooded with descriptions of along with information concerning superstars, and because of a consequence, celebrities have high reputation, distinctive traits, and fascinating descriptions according to the community's opinion (Qosim, Ratnasari, Wardhana, Fauziana, & Barkah, 2023).

Consumers perceive that information coming from celebrities, especially famous spokespersons have more similarities with their lifestyle and interests in comparison to the unknown persons. Both, theory and practice have proven that the use of celebrities in advertising is a good way to attract the attention of the public analyzes the connection between consumer perceptions about celebrity endorsements and brands, by applying a theory of widely accepted principles of how consumers' attitudes and thoughts can be positively influenced. In the world, celebrity power can rightly be assessed by their successful endorsements

(Ryandono et al., 2022). Here, celebrities like film stars, singers, and sports players have not only been successful in attracting huge public attention but also in increasing sales volume (Saputra & Elfarosa, 2023).

Celebrity advertising is one of the methods of presenting an advertising message. It plays an important role in different industries. The use of celebrities has been adopted by various advertising agencies and is used in the advertisement of products and services. Advertising pays millions of dollars to celebrities, hoping that the stars will bring their magic to the products and services they endorse and make them more appealing and successful. The use of celebrities in promotions is traced back to the nineteenth century and these general promotional practices have revealed a large quantity of intellectual as well as realistic considerations.

Even though the use of celebrity advertising is very expensive, it has become a common strategy in many countries. The consumer's response to celebrity advertising is that they make advertisement believable and enhance message recall. Furthermore, celebrity advertisements in the recognition of brand name create a positive attitude towards the brand and create a distinct personality for the brand. A firm employ a person who is generally recognizable, famous or well known by the public to promote its, product or services.

In the world of advertising, in order to stand out from the clutter, celebrity endorsement is considered the most effective tool that will do the job. This technique of involving celebrities with a brand is a winning formula to build the

brand and enhance its value. However, it is relatively easy to select a celebrity for a brand but rather very hard to build a strong link between the brand and the endorsement (Femenia-Serra & Gretzel, 2020). Therefore, it is for this reason, it is rightfully said that celebrity endorsement is a two-edged sword, if properly dealt with-it can do wonders for the company and if not handled properly it can destroy the image of the company and the brand itself.

Although there is a study (Zakik, Kamil, Prasetyo, Ryandono, & Wijayanti, 2022) that investigates the relationship of brand loyalty with celebrity endorsement in Nepalese context, this research is interesting and valuable in the sense that it further enables us to understand the celebrity endorsement process from the Nepalese consumer's point of view. This research can help to set new milestones in the discipline of marketing. The outcome of this research can provide very useful insight to the marketers to formulate better promotional strategies to develop Nepalese fast-moving consumer goods companies, which is one of the largest business sectors in Nepal.

Nepal is becoming the hub of many international fast-moving consumer goods brands and this business sector is gaining huge popularity. A celebrity is someone who is recognized by the public for his or her outstanding attributes, such as a unique skill and lifestyle, which separates them from the rest of the public who enjoys public recognition and who uses this recognition on behalf of a consumer good by appearing with it in an advertisement.

Several studies have indicated that celebrity endorsers can have positive effect on consumers' buying behavior (Loestefani, Poan, Suwitorahardjo, & Wardhana, 2022).

In general, celebrity endorsement, as an advertising technique, is not a static concept but in a constant process of development and change, additional new questions have arisen (Loestefani et al., 2022). The question seeks to answer the factors such as attractiveness, trustworthiness, and expertise of the endorsers that influence the buying behavior of people living in Nepal. Similarly, the researcher seeks to identify the most dominant factors influencing consumers' buying behavior. This study seeks to answer those queries from the perspective of Nepalese consumers.

This study is an effort to explore the effectiveness of the use of celebrity endorsements in advertisements and its influence on consumers' purchasing decisions and also to examine the link between celebrity endorsement and its effectiveness in attaining the brand loyalty of youthful consumers.

Objectives of the Study:

The main objectives of the study are

- i. To examine the factors that influence the customer to buy the products
- ii. To assess the sales of celebrity-endorsed products with products not endorsed.
- iii. To analyze the influence of celebrity endorsement to purchase the products.

Hypothesis Settings

Following are the hypotheses of the study

H₀₁: Celebrity endorsement is not considered to be an effective means of buying intention of the people

H₀₂: Celebrities' endorsements did not affect consumers' buying intention.

Significance of the Study

This research will help achieve insights on the influence of celebrity endorsement on the buying behavior of consumer. It will assist the marketers to get a better idea as to what attributes are important and matters the most to the consumers. It is equally important to those companies which are in direct need of good promotional strategy and it provides useful insight to marketers in Nepal. This research work will help understand the perception and attitude of youth towards celebrity endorsements which may reveal some interesting insights and directions for future research.

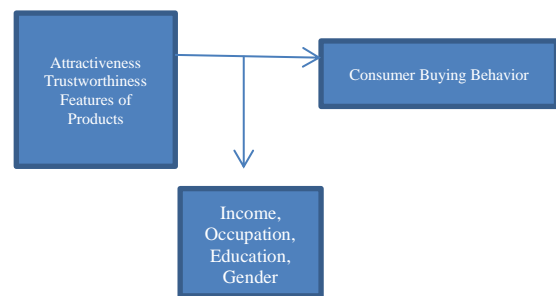
Limitations of the Study

The following are the limitations of the study:

- a. The study has been focused to youth and their perception and attitude towards the influence of celebrity endorsement.
- b. The age between 20 to 40 of youth has been taken for this study
- c. Only Attractiveness of the celebrity, the Trustworthiness of the celebrity, and the features of products transferred by the celebrity have been used as independent variables.

Conceptual Framework

The research paper examines the influence of celebrity endorsement on consumers' buying behavior. In conceptualizing the study, the researcher has attempted to build the relationship between the two key variables, i.e. celebrity endorsement (independent variable) and consumer buying behavior (dependent variable). The conceptual framework that has been developed on these relationships is given below:



METHOD

Descriptive and causal comparative research design has been used in this research and this is used for getting the personal opinions of respondents emanating from their perceptions and perspectives of the subject matter as well as to find out the influence of celebrity endorsement on the buying behavior of youth (age between 20–40) of Nepal. The study focuses on understanding consumers buying behavior based on different factors like gender, income, occupation, and education.

The population of this research is the total youth of Nepal and out of the total population, a sample size of 384 respondents is taken using the convenience sampling technique which consists of people from different age groups, gender, income, and occupations. Selected respondents were requested to complete the questionnaire that included questions with 5 Likert scale ratings to find the responses of consumers to the celebrity endorsement.

Data are collected from both primary and secondary sources. For the collection of primary data, a structured questionnaire is designed and distributed among people of Nepalese youth. The secondary data are collected from the sources such as online articles, journals, related research works, and publications.

In analyzing the primary and secondary data collected, different methods of simple statistical tools like tabulation and percentages have been used (Fauziana, Wardhana, & Rusgianto, 2022). A regression equation will also be used to identify the impact of celebrity endorsement on consumer behavior. Excel and SPSS have been used for analyzing data (Wardhana & Ratnasari, 2022).

RESULT AND DISCUSSION

The analysis of different issues is:

Age

Table 1
 Age of the respondents

Age Group	Female		Male		Total	
	Frequency	%	Frequency	%	Frequency	%
20-30	92	23.92	98	25.56	190	49.48
30-40	94	24.44	100	26.08	194	50.52
Grand Total	186	48.36	198	51.64	384	100

Out of the 384 respondents 198 around 51.64% are male and rests are female. Number

of respondents in both age group are almost same in both male and female i.e. 49.48% in age group of 20-30 years and 50.52% in age group of 30-40 years.

Occupation

Table 2.
 Occupation of the respondents

Occupation	Female		Male		Total	
	Frequency	%	Frequency	%	Frequency	%
Own Business	16	4.17	18	4.68	34	8.84
Government Employee	33	8.58	36	9.36	69	17.94
Professor/Teacher	54	14.04	62	16.12	116	30.16
Student	83	21.58	82	21.32	165	42.9
Grand Total	186	48.36	198	51.64	384	100

Table 2 explains that about 43 percent of respondents are students followed by professors and teachers i.e. 30.16 percent in both cases male and female. Only 8.84 percent of respondents run their own business.

Income

Table 3.
 Income of the respondents

Income	Female		Male		Total	
	Frequency	%	Frequency	%	Frequency	%
Less than 20,000	83	21.58	82	21.32	165	42.9
20,000-50,000	59	15.34	56	14.56	115	29.9
50,000-80,000	40	10.4	43	11.18	83	21.58
Above 80,000	4	1.04	7	1.82	11	2.86
Grand Total	186	48.36	198	51.64	384	100

Table 3 states that about 43 percent of respondents earn less than Rs.20,000 followed by Rs.20,000-50,000 i.e. around 30 percent in both cases male and

female. Only 2.86 percent of respondents earn more than Rs.80,000.

Education of the respondents

Table 4.
 Education of the respondents

Education	Female		Male		Total	
	Frequency	%	Frequency	%	Frequency	%
Above Masters	4	1.04	6	1.56	10	2.6
Masters	54	14.04	57	14.82	111	28.86
Bachelors	70	18.2	74	19.24	144	37.44
Plus 2	35	9.10	36	9.36	71	18.46
SEE	23	5.98	25	6.5	48	12.48
Grand Total	186	48.36	198	51.64	384	100

Table 4 shows that about 38 percent of respondents have completed Bachelors Level followed by a Master i.e. 28.86 percent in both cases male and female. Only 2.6 percent of respondents are highly qualified i.e. they have completed above Masters Level.

Encounter celebrity-endorsed advertisements

Table 5
 Encounter celebrity-endorsed advertisements

Celebrity-endorsed advertisements encounter you?	Female		Male		Total	
	Frequency	%	Frequency	%	Frequency	%
Strongly Agree	110	28.6	114	29.64	224	58.24
Agree	64	16.64	68	17.68	132	34.32
Neutral	10	2.6	12	3.12	22	5.72
Disagree	2	0.52	4	1.04	6	1.56
Strongly Disagree	-	-	-	-	-	-
Grand Total	186	48.36	198	51.64	384	100

Table 5 explains that more than 90 percent respondents are agreeing about the celebrity endorsed advertisement encounter them to purchase the products. There are no respondents who strongly denied and only less than 2 percent responded about it.

Advertisement catches the most attention

Table 6.
 Advertisement catches the most attention

Celebrity - endorsed advertisement catches your attention the most?	Female		Male		Total	
	Frequency	%	Frequency	%	Frequency	%
Strongly Agree	96	24.96	82	21.32	178	46.28
Agree	54	14.04	66	17.16	120	31.2
Neutral	22	5.72	32	8.32	54	14.04
Disagree	8	2.08	10	2.6	18	4.68
Strongly Disagree	6	1.56	8	2.08	14	3.64
Grand Total	186	48.36	198	51.64	384	100

Table 6 shows that more than 70 percent of respondents are agreeing about the celebrity-endorsed advertisement catches their attention to purchase the products. Only less than 9 percent of respondents denied it.

Trust in celebrity-endorsed advertisements.

Table 7

Trust on celebrity-endorsed advertisements

Celebrity-endorsed advertisements increase your trust level	Female		Male		Total	
	Frequency	%	Frequency	%	Frequency	%
Strongly Agree	86	22.36	76	19.76	162	42.12
Agree	52	13.52	62	16.12	114	29.64
Neutral	28	7.28	34	8.84	62	16.12
Disagree	12	3.12	14	3.64	16	4.16
Strongly Disagree	8	2.08	12	3.12	20	5.2
Grand Total	186	48.36	198	51.64	384	100

On the trust of the celebrity endorsed advertisements more than 70 percent of the respondents said they always trust the celebrity endorsed advertisements. About 16.12 percent respondents are neutral on it and less than 10 percent aren't trust the celebrity endorsed advertisements.

Purchase products based on endorsed advertisements

Table 8.

Purchase products based on endorsed advertisements

Do you purchase products based on endorsed advertisements?	Female		Male		Total	
	Frequency	%	Frequency	%	Frequency	%
Strongly Agree	64	16.64	62	16.12	126	32.76
Agree	58	15.08	60	15.6	118	30.68
Neutral	42	10.92	54	14.04	96	24.96
Disagree	10	2.6	12	3.12	22	5.72
Strongly Disagree	12	3.12	10	2.6	22	5.72
Grand Total	186	48.36	198	51.64	384	100

Table 8 explains that about 33 percent of respondents strongly agree that they purchase products based on endorsed advertisements and only 11.44 percent of

respondents i.e. 5.72 percent disagree and strongly degree denied purchasing products based on endorsed advertisements

Intention to be negative to purchase products

Table 9

Intention to be negative to purchase products

You avoid purchase of those products which has side effects but are endorsed by a celebrity?	Female		Male		Total	
	Frequency	%	Frequency	%	Frequency	%
Strongly Agree	88	22.88	82	21.32	170	44.2
Agree	68	17.68	66	17.16	134	34.84
Neutral	22	5.72	38	9.88	60	15.6
Disagree	8	2.08	12	3.12	20	5.2
Strongly Disagree	-	-	-	-	-	-
Grand Total	186	48.36	198	51.64	384	100

Table 9 shows that about 78 percent respondents avoid purchasing those products which has side effects though these products are endorsed by a celebrity. Only 5.2 percent respondents have not care about side effect of the products and they are influence by the celebrity endorsement.

Influence to purchase celebrity-endorsed products

Table 10.

Influence to purchase celebrity-endorsed products

Which of the factors listed below influence you to purchase celebrity-endorsed products?	Female		Male		Total	
	Frequency	%	Frequency	%	Frequency	%
Attractiveness of the celebrity	36	9.36	38	9.88	74	19.24

Trustworthiness or Credibility of the celebrity	94	24.44	88	22.88	182	47.32
Features of products transferred by the celebrity	66	17.16	72	18.2	136	35.36
Grand Total	186	48.36	198	51.64	384	100

On the influence to purchase celebrity-endorsed products both the credibility of the celebrity and the Features of products transferred by the celebrity contributed to 47.32 percent and 35.36 percent of the respondents respectively. Only 19.24 percent of respondents are influenced by the attractiveness of the celebrity.

Relationship between Consumer Buying Behavior, Attractiveness, Trustworthiness, Features of Products

Correlation matrix and regression have been computed to assess the extent of the relationship in between the variables of Consumer Buying Behavior with Attractiveness, Trustworthiness, and Features of products.

Correlation among the study variables

Table 11.

Correlation among the study variables

	Consumer Buying Behavior	Attractiveness	Trustworthiness	Features of Products
Consumer Buying Behavior	1			
Attractiveness	.52**	1		
Trustworthiness	.78**	.62**	1	
Features of Products	.82**	.57**	.69**	1

Table 11 clearly shows that all the variables have been positively correlated to each other at a 5% level of significance. Correlation between Consumer Buying Behavior with Trustworthiness and Features of products has been low i.e. 0.78 and 0.82, which indicate that the Trustworthiness and

Features of products have a higher impact on Consumer Buying Behavior.

Regression among the variables

Table 12.

Regression among the variables

Details	Attractiveness	Trustworthiness	Features of Products
b (Coefficient)	2.13	1.11	2.18
R Square (%)	27.04	60.84	67.24
“t” Value	1.625	2.125	2.175
Significance	.03	0.04	0.045

On simple observation of table 12, it has been clear that there exists a positive relationship between Consumer Buying Behavior with Attractiveness, Trustworthiness and Features of products. About 27.04 percent to 67.24 percent of the variance of Consumer Buying Behavior has been explained by Attractiveness, Trustworthiness, and Features of products.

Major findings

a. Encounter celebrity-endorsed advertisements: Most of the respondents very often encounter celebrity-endorsed advertisements comprising 90 percent and only less than 2 percent of respondents denied it.

b. Advertisement catches most attention:

About 70 percent of the respondents' attention was caught by the celebrity endorsed advertisements while only 9 percent of respondents denied about it.

c. Trust on celebrity-endorsed advertisements:

On the trust of celebrity-endorsed advertisements more than 70 percent of the respondents said they always trust celebrity-endorsed advertisements and only 10 percent did not trust the celebrity-endorsed advertisements.

d. Purchase products based on endorsed advertisements:

Most of the respondents i.e. about 33 percent strongly agree that they purchase products based on endorsed advertisements and only 5.72 percent strongly agree on purchasing products based on endorsed advertisements.

e. Intention to be negative to purchase products:

About 78 percent of the

CONCLUSION

The results of this study indicated that there was a positive impact of celebrity trustworthiness, features of products, and attractiveness on consumer buying behavior. Moreover, results showed that a majority of the consumers agreed that celebrity endorsers enhanced brand awareness. The consumers agreed that the celebrity endorser would be able to capture their attention towards the brand whenever they saw the advertisement featuring the celebrity.

The respondents concurred that the celebrity endorser helped them to easily identify product because of the presence of these celebrities that the product is noticed and remembered by the consumers and differentiate the various product brands in the market which led to better product knowledge hence being more confident in their purchase decisions.

respondents avoid purchasing those products which has side effects though these products are endorsed by a celebrity. Only 5.2 percent of respondents have not care about side effect of the products.

f. Influence to purchase celebrity-endorsed products:

On the influence to purchase celebrity-endorsed products both the credibility of the celebrity and the Features of products transferred by the celebrity contributed to 47.32 percent and 35.36 percent of the respondents respectively.

g. Correlation and Regression:

All the variables have been positively correlated to each other at a 5% level of significance. Among them, Trustworthiness and Features of products have a higher impact on Consumer Buying behavior

Different studies conducted on the impact of celebrity endorsement on consumers buying behavior also shows the same results as in this research. A study conducted by "Dissanayaka, 2021" was supported to the findings of this study in which she found that celebrity endorsement is made up of four main pillars that are credibility, attractiveness, product matchup and lastly meaning transfer. Another study conducted on the effect of celebrity endorsement on consumer behavior: Case of the Lebanese jewelry industry shows that celebrity endorsement from pristine idea, speculations, efficiency, and presence in the jewelry industry has a direct effect on customer perception, decision-making process, and demeanor as all influenced by celebrity support,

which is also supported by this study (Chen, Hsiao, & Wu, 2018).

Thus, the celebrities used in advertising, not only evoke positive reactions, but help focus attention on the brand in the advertisement. The markets must carefully evaluate the celebrities and make sure the image which perceived by the target customers are positive. Therefore, marketers can choose celebrities according to the important

attributes required to influence a set of population. The companies must select the right celebrity endorsers in order to grab the attentions and arouse the interest of the target customers. Hence, it is very essential to plan the advertising strategy to provide a guide for the advertising activities.

REFERENCES

- Chen, C. C., Hsiao, K. L., & Wu, S. J. (2018). Purchase intention in social commerce: An empirical examination of perceived value and social awareness. *Library Hi Tech*, 36(4), 583–604. Retrieved from <https://doi.org/10.1108/LHT-01-2018-0007>
- Fauziana, H., Wardhana, A. K., & Rusgianto, S. (2022). The Effect of Education, Income, Unemployment, and Poverty toward the Gini Ratio in Member of OIC Countries. *Daengku: Journal of Humanities and Social Sciences Innovation*, 2(2), 181–191.
- Femenia-Serra, F., & Gretzel, U. (2020). Influencer marketing for tourism destinations: Lessons from a mature destination. In *Information and Communication Technologies in Tourism 2020: Proceedings of the International Conference in Surrey, United Kingdom, January 08–10, 2020* (pp. 65–78). Springer.
- Hernández-Méndez, J., & Baute-Díaz, N. (2023). Influencer marketing in the promotion of tourist destinations: mega, macro and micro-influencers. *Current Issues in Tourism*, 1–11.
- Loestefani, V., Poan, R., Suwitorahardjo, B., & Wardhana, A. K. (2022). Service Quality and Product Quality as An Influence on Customer Loyalty at Naturalis Koffie. *FIRM Journal of Management Studies*, 7(2), 211–236.
- Qosim, N., Ratnasari, R. T., Wardhana, A. K., Fauziana, H., & Barkah, T. T. (2023). Eight Years of Research Related to the Green Sukuk in the Global Stock Exchange Market to Support the Implementation of SDG: A Bibliometric Review. *Journal of Islamic Economic and Business Research*, 3(2), 161–180.
- Ryandono, M. N. H., Mawardi, I., Rani, L. N., Widiastuti, T., Ratnasari, R. T., & Wardhana, A. K. (2022). Trends of research topics related to Halal meat as a commodity between Scopus and Web of Science: A systematic review. *F1000Research*, 11(1562), 1562.
- Saputra, U. W. E., & Elfarosa, K. V. (2023). Determinant of Investment Decisions: Evidence From Gen Z in Indonesia. *Analisis*, 13(2), 259–286. Retrieved from <https://doi.org/10.37478/als.v13i2.2512>
- Wardhana, A. K., & Ratnasari, R. T. (2022). Impact of Agricultural Land and the Output of Agricultural Products Moderated with Internet Users toward the Total export of Agricultural Product in Three Islamic South East Asian Countries. *Iqtishodia: Jurnal Ekonomi Syariah*, 7(2), 11–20.
- Zakik, Z., Kamil, A., Prasetyo, A. S., Ryandono, M. N. H., & Wijayanti, I. (2022). Economic development on Madura Island through halal tourism: A business feasibility study. *Al-Uqud: Journal of Islamic Economics*, 6(2), 289–303.