

# Experimental Approach To Study The Effect Of Endorser's Credibility & Brand Credibility On Consumer-Based Brand Equity

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**Abstract:** Celebrity endorsement is seen as an incredible exceptional device by publicists all throughout the world. One-in-four advancements use celebrity endorsement. Celebrity endorsement impacts publicizing ampleness, brand acknowledgment, brand review, purchase points and even purchase lead. In this exploration has furthermore displayed that celebrity endorsement prompts an extraordinary perspective toward the upheld brand anyway does it have regard the extent that making brand esteem, The term brand esteem suggests the steady quality added by a brand name to a item. Enduring composing highlights the necessity for additional exploration recognizing advancing activities that can develop brand esteem. Conclusively, The general business shows that majority of marketers failed to understand the need for celebrity endorsement in creating g brand equity. Based on lack of concern and strategic decision the companies are moving business towards ambiguity because they are unable to endorse celebrity that are having approachable personality. The specific business problem shows that how the companies create consumer based brand equity through focusing on dimensions such as brand awareness, brand association, brand loyalty and perceived quality.

**Keyword:** Celebrity endorsement, brand acknowledgment, brand review.

## Introduction:

Celebrity endorsement is seen as an incredible exceptional device by publicists all throughout the world. One-in-four advancements use celebrity endorsement. Celebrity endorsement impacts publicizing ampleness, brand acknowledgment, brand review, purchase points and even purchase lead. In this exploration has furthermore displayed that celebrity endorsement prompts an extraordinary perspective toward the upheld

brand anyway does it have regard the extent that making brand esteem, The term brand esteem suggests the steady quality added by a brand name to a item. Enduring composing highlights the necessity for additional exploration recognizing advancing activities that can develop brand esteem. Therefore, celebrity endorsement not only increases brand reputation, but from consumer point-of-view, it helps in increasing the consumer association towards brand and generates

consumer-based equity of brand (Dwivedi, Johnson & McDonald, 2015). However, quantitative tests in which confirmatory factoranalysis, SEM and average variance extracted scores were conducted in order to obtain results. Based on which, the findings suggested that celebrity endorsements creates impact on brand equity. There is direct impact on the variables, whereas brand connection has partly mediating effect between endorser celebrity and brand equity. In the future, the parameters can be changed in order to discuss celebrity endorsement. Hence, after much discussion on celebrity endorsements and its link to brand equity, Roy and Bagdare (2015) expanded the scope of brand endorsements towards brand familiarity. Advertisements, attitude towards brand and purchase intention where the dependent variables, whereas country of origin of celebrity and country of origin of brand are independent variables, which were tested based on multivariate testing and post hoc tests. Findings revealed that brand-celebrity country of origin creates positive impact on consumer attitude, whereas familiarity have moderate effect on consumer attitude. The implications suggest that in the future, the study could help in revealing insight information on brand recall, recognition and familiarity.

### **Research objectives**

The main objectives connected with this study are listed down as follows.

1. To measure the impact of credibility of endorser on the credibility of endorsed brand.
2. To examine the positive impact of the credibility of brand on the consumer based equity on the endorsed brand.
3. To examine the impact of the credibility of the endorser celebrity on the consumer based equity of the endorsed brand.

### **Research Questions**

This planned study intends to supervise the following questions.

1. Does credibility of endorser have an impact on the credibility of the endorsed brand?
2. Does credibility of brand positively impacted on the consumer based brand equity on the endorsed brand?
3. Does credibility of endorser celebrity have an impact on the consumer based brand equity of the endorsed brand?

### **Literature review**

Hence, innovative brand experiences also helps in enhancing the equity of brand and satisfaction derived from it (Lin, 2015). Green brand and innovative brands both helps in gaining competitive advantage because it has unique emotional and functional elements, which results in best CSR practices. Based on this, Lin (2015) conducted study to examine the relationship between innovative brand experience, brand satisfaction and equity. Multiple regression analysis was applied to test the variables. Results revealed that innovative brand experience creates positive impact on brand satisfaction and equity.

Similar study was conducted by Awasthi and Choraria (2015) on celebrity endorsement related factors (such as credibility, attractiveness, popularity etc), social and personal characteristics and its impact on imitation behavior (such as purchasing intention and advertisements). Exploratory factor analysis was conducted in order to analyze variables and based on this findings revealed that endorsed celebrity related aspects have positive influence on attitude of consumers towards the advertisements by the mediating role of imitation.

Besides brand equity discussed in various areas,

the concept of celebrity endorsement and mascots also plays an essential role in order to increase brand credibility. This is the most often used technique by brands in order to increase its credibility. Celebrity endorsement not only increases brand credibility, but also helps in enhancing the image of brand based on the strategies adopted by companies. Based on this, Chan, Ng and Luk (2013) argued in the study that there is positive impact of celebrity endorsement on brand image. However, to prove this proposition, qualitative study was conducted by interviewing the Chinese teenagers and the results revealed that celebrities who are attractive, trustworthy and expressive tend to be easier to recall and this influences positively on brand image. In the future, the research can focus on consumers irrespective of age. Contrary, Malik and Gupta (2014) analyzed the impact of variables related to celebrity endorsement (attractiveness, expertise and trustworthiness) on brand mascots by conducting regression analysis where sample was taken from Indian market. The findings suggested that by endorsements, brands can enhance their credibility and increase the effectiveness of their campaigns.

**Structure of the Study**

This study has been arranged chapter wise. The study has been structured into five chapters. In first chapter describes the introduction, which

further sub headings are the background, general problem, specific problem, purpose, research objective, research question, significance of study and the scope of study. In Second Chapter is comprises of the literature review which is further categorized into conceptual, empirical reviews of previous studies supporting current study, in which impact of planning performance improvement on complex master production schedule is discussed. In third chapter consists on research method, which sides the through information about theoretical framework, hypothesis, research approach, research design, sampling design, target population, sample size, sample techniques, instrument and statistical technique. In Fourth Chapter the Result heading includes three sub headings namely hypothesis assessment summary. Lastly, conclusion heading includes five sub headings namely conclusion, discussions, policy implications, limitations and future research recommendation

**Theoretical Framework**

It is based on the associative network memory model from cognitive psychology and brand signalling theory from information economics. Associative network memory research is used to explain the relationship between endorser credibility and brand equity. The concept of brand credibility has emerged from the brand signalling literature.

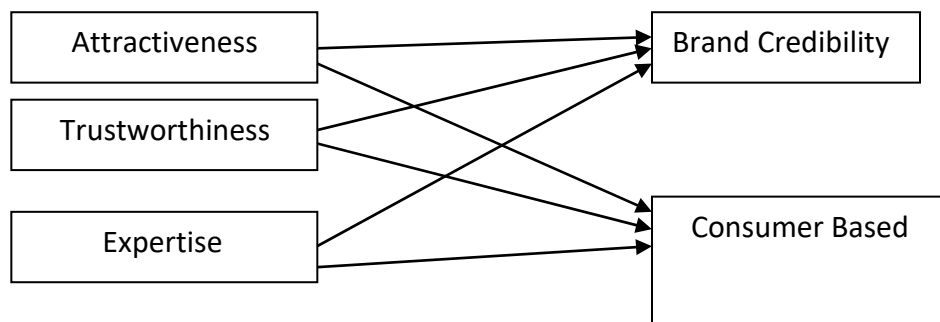


Figure 1 Model of study

**Research Strategies**

Research Strategies for this study would be

consisted on the literature reviews and the survey questionnaire. Data collection gathered by couple of sources, primary sources printed survey questionnaire. Secondary source based on the online survey form.

### Target Population

In order to get desire information, the target population in this study is the general public of Karachi. The Population of this research is cover of all the customers of shopping outlets and super markets which include male, female, young adult and old individual.

#### Sample Size

As the organization of Pakistan are not well aware of the concept of brand credibility and due to the limited time, sample size of 265 respondents was selected .The sample is calculated as 265 from G power 3.1.9.2 using effect size 0.06 and with 95% confidence interval (Faul, Erdfelder, Lang, & Buchner,2007)

### Sample techniques

The convenient sampling is going to be done in sampling technique for the proposed topic. On the convenient basis the Sampling did, and to take online survey from the general public of Karachi. Convenience sampling technique (non- probability) was utilized in this work because of convenience, quick data collection (Sekaran & Bougie, 2009).

### Statistical techniques

The data of this study were analyzed by using Statistical Package for Social Sciences version 22 & AMOS its different statistical techniques such as reliability, validity, factor analysis & confirmatory factor analysis is selected to be technique of data analysis. The aim for performing these tests is to highlight association of price reduction sales ads and brand personality on loyalty.

### Reliability Analysis

Reliability need to be measured before assessing the relationship of the model. According to Wells and Wollack (2003) it is important to check the reliability of data due to reasons which may affect the analysis.

**Table 1: Reliability Analysis**

Item	No of items	Cronbach's Alpha
Celebrity attractiveness	5	.927
Celebrity expertise	5	.919
Celebrity trustworthiness	5	.920
Brand Credibility	6	.927
Consumer Equity Brand Awareness	3	.920
Brand Association	5	.924

The Reliability is checked by Cronbach's Alpha and measures as per the standards which is indicating that the values for all variables are greater 0.9 it means the instrument was excellent and data is reliable.

### Factor Analysis

Factor Analysis tool help in removal of redundancy from a set of variables and incarnates correlated items by derived small variables, these factors are independent to one

another. There are few assumptions for Factor Analysis which need to be fulfilled.

**Table 2: KMO and Bartlett's Test**

<b>KMO and Bartlett's Test</b>		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.913
Bartlett's Test of Sphericity	Approx. Chi-Square	7553.371
Df		406
Sig		.000

Above table 4.7 shows; KMO = 0.913 > 0.5 which is indicating that there's no multi co-linearity.

**Table No 3 Total Variance Explained**

<b>Total Variance Explained</b>									
Component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	13.013	44.873	44.873	13.013	44.873	44.873	5.716	19.709	19.709
2	4.637	15.990	60.863	4.637	15.990	60.863	5.291	18.246	37.955
3	1.767	6.093	66.957	1.767	6.093	66.957	5.033	17.354	55.309
4	1.540	5.312	72.269	1.540	5.312	72.269	4.918	16.960	72.269
5	.917	3.163	75.432						
6	.844	2.912				78.343			
7	.764	2.634				80.978			
8	.630	2.171				83.149			
9	.545	1.880				85.028			
10	.523	1.803				86.832			
11	.412	1.420				88.252			
12	.358	1.234				89.486			
13	.314	1.081				90.567			
14	.304	1.048				91.615			
15	.283	.975				92.590			
16	.241	.833				93.422			

17	.221	.764	94.186
18	.209	.722	94.908
19	.200	.691	95.599
20	.185	.636	96.235
21	.169	.582	96.817
22	.159	.547	97.365
23	.155	.533	97.898
24	.133	.460	98.357
25	.119	.412	98.769
26	.106	.364	99.133
27	.094	.325	99.459
28	.087	.299	99.758
29	.070	.242	100.000

Extraction Method: Principal Component Analysis.

Above table 4.8 shows total variance explained that four component should be extracted from where eigen value is greater than 1. Also there is no need to eliminate any item because total

variation percentage is 72.269% which is above the standard i.e. 60%.

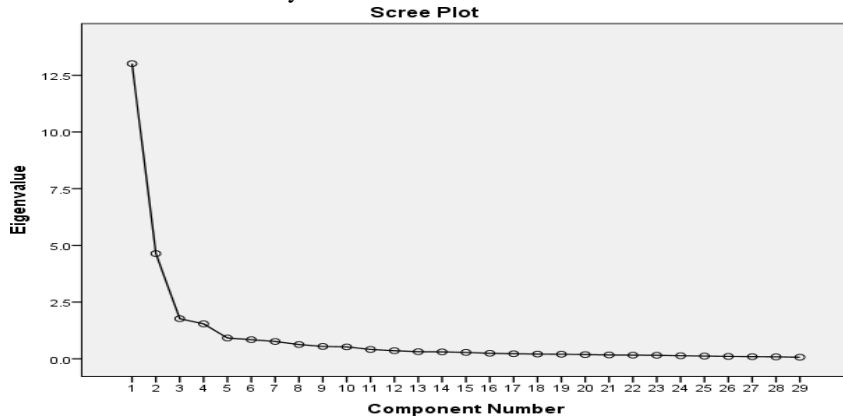


Figure 2: Scree Plot

Above Figure 2 Scree plot shows that no need to eliminate any item, all the variables should be extracted.

**Table 4; Confirmatory Factor Analysis (CFA) Assessment**

CMIN					
Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	86	925.869	349	.000	2.653
Saturated model	435	.000	0		
Independence model	29	7866.232	406	.000	19.375

Above Table Show the result of Chi-square

fitness model range is (1 – 4) in above CMIN

value is 2.653 its shows that the model is fit & acceptable according to (Hoyle et al,1995).

**Table 5: Baseline Comparisons**

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	.882	.863	.923	.910	.923
Saturated model	1.000		1.000		1.000
Independence model	.000	.000	.000	.000	.000

Above Table Show the result of model summary of the data which has a comparative fit index The CFI is identical to the Mc Donald and Marsh (1990) CFI is 92 % CFI (0.923),

except that the CFI is truncated to fall in the range from 0 to 1. CFI values close to 1 indicate a very good fit.

**Table 6: RMSEA**

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	.079	.073	.085	.000
Independence model	.264	.259	.269	.000

Above Table Show the result of Root mean square error of approximation which known as (RMSEA), the value range between less than (0.05 – 0.08) & in this model value of RMSEA is 0.079 mean which is acceptable & the goodness of Fit test was slightly below acceptable, (Browne and Cudeck, 1993)

**Discussion**

The core success of any business is based on the marketing strategies adopted by them (Dwivedi and Johnson, 2013). With the increase in consumer demand and market competition the companies are making efforts in order to use effective promotional tools. For marketers it is difficult to maintain brand equity. Lin (2015) shared that the brand equity shows the company ability to add

incremental value in the brand. The celebrity endorsement allows markets to create brand equity, which leads towards brand recognition.

Firstly, there is an impact of credibility of endorser celebrity (IV) on the credibility of endorsed brand (DV) as credibility of endorser celebrity particular brand from where a customer buys is a vital part to attract customer attention of basis of as brand is credible to buy. Here the relationship is positive between both the variables.

Secondly, the consumer based equity of the endorsed brand (IV) positively impacted by the credibility of brand (DV) as consumer based equity of the endorsed brand particular brand from where a customer buys is a vital part to attract customer attention of basis of

as brand is credible to buy. Here the relationship is positive between both the variables.

Thirdly, the consumer based equity of the endorsed brand (IV) has an impact by the credibility of endorser celebrity (DV) as consumer based equity of the endorsed brand particular brand from endorsed by the particular celebrity it credible. As the celebrity only endorse credible brand only. Which the celebrity has own credibility with respect to endorsing. Here the relationship is positive between both the variables.

### Conclusion

This evident justification by researching celebrity endorsement is that in creating brand equity and credibility. Therefore, through studying this concept in Pakistani context the significance of positive celebrity endorsement in creating brand equity and credibility can be studies. The aspects such as consumer based brand equity, endorser credibility and brand credibility investigated through approaching consumers belong from various age groups.

Conclusively, The general business shows that majority of marketers failed to understand the need for celebrity endorsement in creating g brand equity. Based on lack of concern and strategic decision the companies are moving business towards ambiguity because they are unable to endorse celebrity that are having approachable personality. The specific business problem shows that how the companies create consumer based brand equity through focusing on dimensions such as brand awareness, brand association, brand loyalty and perceived quality.

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