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CELEBRITY ENDORSEMENT IN BUSINESS

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ABSTRACT

Companies globally regard celebrity endorsement as an effective advertising tool. Celebrity endorsement is important for brand awareness among the consumers, and it plays a significant role in customer's purchase intention and the success of a business. Hence, this work was done to analyze the impact of celebrity endorsement in business at Saudi Arabia. The research aims to understand on how fame influences business especially in the context of celebrity endorsement among consumer in Saudi Arabia. This work was done based on quantitative method. Questionnaire was utilized for data collection. The number of samples of this study was 100 entrepreneurs in Jeddah, Saudi Arabia. The findings of this work have shown that majority of the respondents agree that the celebrity use their fame for advertising purpose. Furthermore, the findings have shown that majority of the respondents have bought products advertised by celebrities. In addition, 55% of the respondents have agreed that they will use celebrity endorsement for marketing products. Moreover, 75 % of the respondents agree that celebrity endorsement is effective for product and business marketing. Hence, it is concluded that celebrity endorsement has a positive influence on the success of a business.

INTRODUCTION

In an increasingly globalized world marked by highly competitive markets, businesses need to differentiate themselves by different ways such as cultivating a unique brand personality [1]. This includes imbuing the brand with human-like traits that are particularly appealing to the business target audience, and these human traits also help build a relationship between business and prospective customers.

Humanizing a brand by consumers can help in producing positive consequences from the marketers' perspective, and it can attract attention to the business that

it might not have received otherwise [2]. It can also help to raise the awareness of the business by creating affective associations with the brand, which can result in consumers evaluating the brand by criteria other than its functional characteristics.

However, the clutter state has risen due to increased media use for advertising businesses. Therefore, the business needs to find unique ways to break through this clutter and be effective in communicating their businesses to consumers [3]. This can be done by creatively breaking through the clutter by using celebrities in advertising to endorse the company's brand [4].

Celebrity endorsement is quite expensive, but various organizations and business firms are willing to pay for the powerful endorsement embedded in celebrities that have fame [5]. The celebrities whose name, face, voice recognition and fan following can attract considerable attention from millions of consumers and help the business to expand considerably [6]. Businesses often use celebrity endorser to deliver their advertising message and convince consumers of their brands. Celebrity endorser is an individual known to the public because of their achievements in areas other than the endorsed business class. The success of a celebrity endorsement, however, depends on a number of variables such as the use of a prominent person and substantial funding [7].

Winterich et al. [8] reported that celebrities benefit mainly from their access to the media, which enables them to support different businesses for their causes. Furthermore, Wang et al. [9] stated that the celebrity power is that it is mostly exercised invisibly, and people are often influenced in emotional and spiritual rather than rational terms. In addition, the media also often portray celebrities as do-gooders who exercise power in favor of the common good [8-9]. Likewise, Rabia et al. [10] reported that more satisfying results have been achieved on the concept of multiple celebrity endorsement. This means that endorsing businesses with multiple celebrities can be beneficial to the company.

These celebrity endorsers assist to raise visibility of a company's advertising and also generate favorable emotions toward these products. Furthermore, Albert et al. [11] stated that using a celebrity in advertising has a beneficial effect on consumer brand attitude and buying intentions. Mishra et al. [12] stated that trustworthiness involves the honesty, credibility and integrity of the endorser from the view of the target audience is another important factor that assists to enhance the reputation of a company. Zamudio [13] reported that celebrities not only assist to increase a company's popularity, but they also have a beneficial effect on society. The celebrities encourage and celebrate the notion of self-regulation and encourage people to strive to be free of constraints. They show the younger generation that they need to strive, avoid poor choices, inequality and discrimination.

The key objective of advertising is to reach consumers with useful, life-enriching communications about their businesses. An important part of advertisements, however, is choosing the right channel to carry their messages. Businesses are increasingly using popular faces to gain more fame and popularity for their success and have different impacts on different sets of

people [14]. Consumers might feel that the presence of such figures in advertisements is a credible indication of the extent to which they are committed to their businesses. This in turn can gain their targeted consumers' hearts and minds. Hence, this work was done to analyze the impact of celebrity endorsement in business at Saudi Arabia.

METHODOLOGY

This work was done based on quantitative method. The sample of this research is 100 entrepreneurs in Jeddah, Saudi Arabia. The data collection method used in this research is survey method. Questionnaire forms were distributed to entrepreneurs by email and instant messaging applications in order to understand the role of fame in opening up business. The secondary data of the research is collected from the articles, magazines, websites, and journals from the academic sources. The data were analyzed based on basic statistic method and were presented in graphical form.

RESULT AND DISCUSSION

Demographic Characteristics

Based on Figure 1, 96 % of the respondents were female and 4 % were male. In Figure 2, 87% of the respondents were in age group between 20 to 30 years, 8% were in age group between 31 to 40 years, and 5% were in the age group between 41 to 50 years old. In terms of highest education, based on Figure 3, 85% of the respondents have completed bachelor's degree. 6 % have completed master's degree and 9% have completed high school.

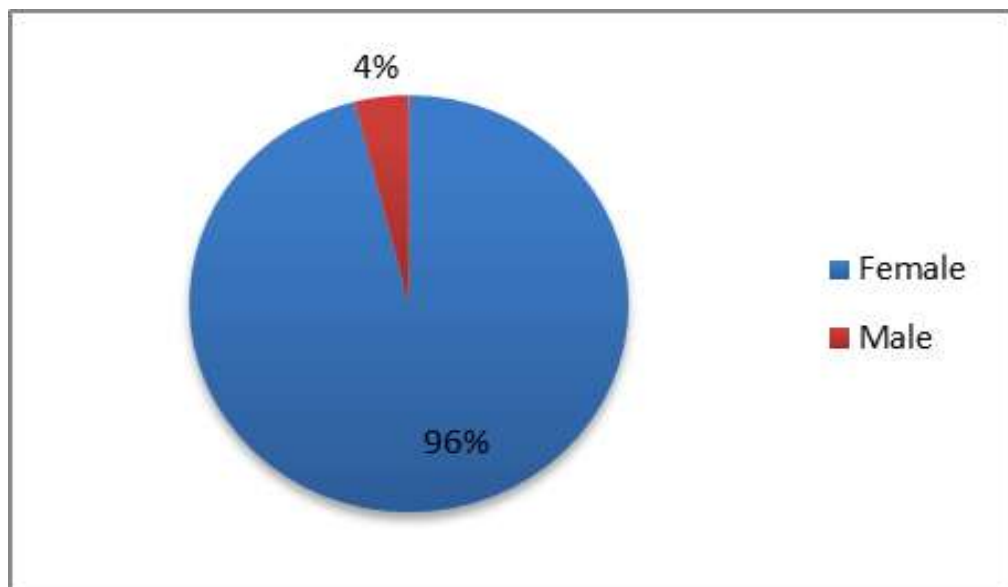


Figure 1: Gender of The Respondents

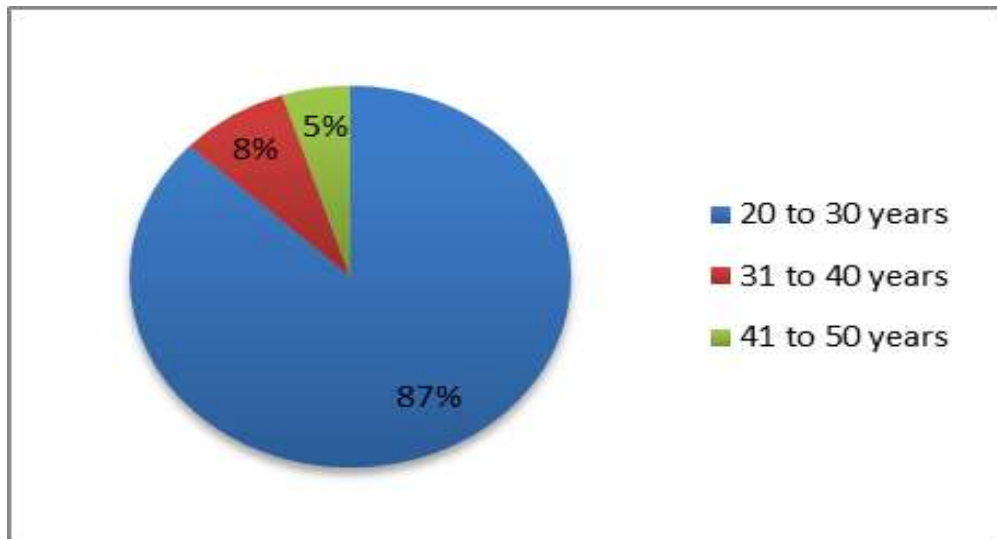


Figure 2: Age of The Respondents

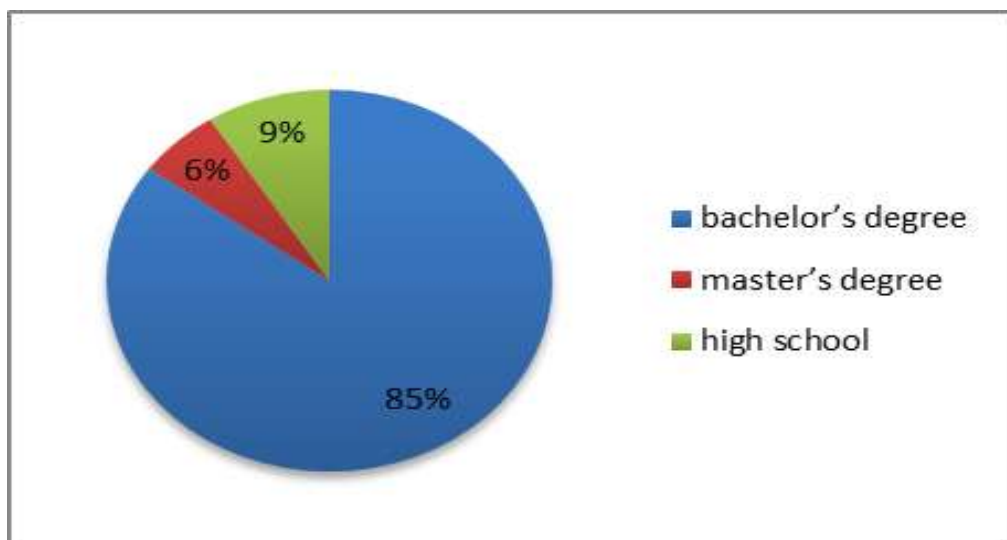


Figure 3: Highest Level of Education

Questionnaire Analysis

In this work, the respondents were subjected question related the role of fame in opening up business. Thus, the outcomes question statement is discussed in this section. Based on Figure 4, the respondents were asked ‘if they see most celebrities have their own business?’. Thus, based on Figure 4, 75% of the respondents stated ‘yes’ and 25% stated ‘no’.

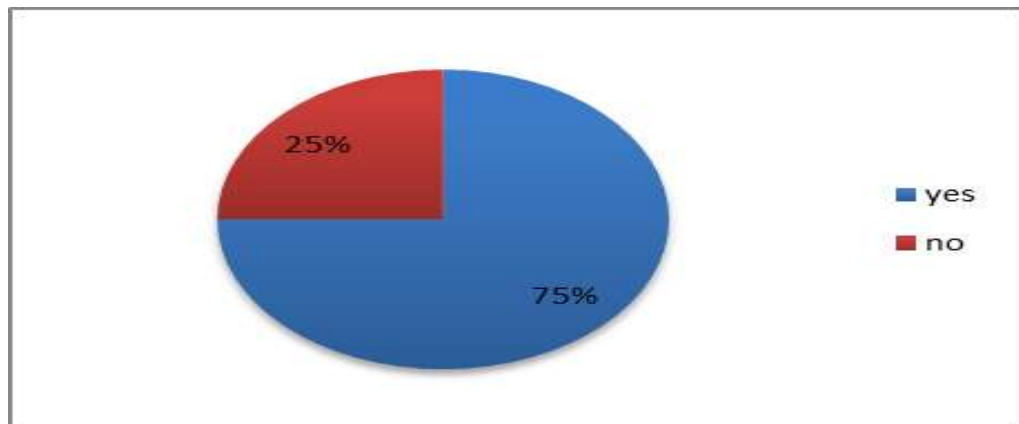


Figure 4: Celebrities Owning Business

Based on Figure 5, the respondents were asked ‘what is the focus of celebrities on their business?’. Based on Figure 5, 32 % stated restaurants, 10 % stated cafes, 55% stated exclusive celebrity brands and 3% stated others.

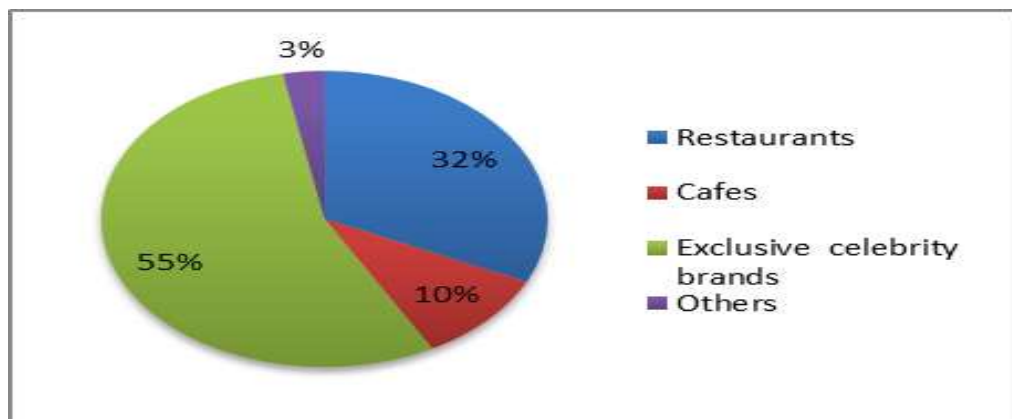


Figure 5: Focus of Celebrities on The Business

Based on Figure 6, the respondents were asked ‘do you see the celebrities exploiting their fame as a tool for advertisement?’. Based on Figure 6, 40 % strongly agree, 30 % agree, 17 % were neutral, 3% disagree and 10% strongly disagree.

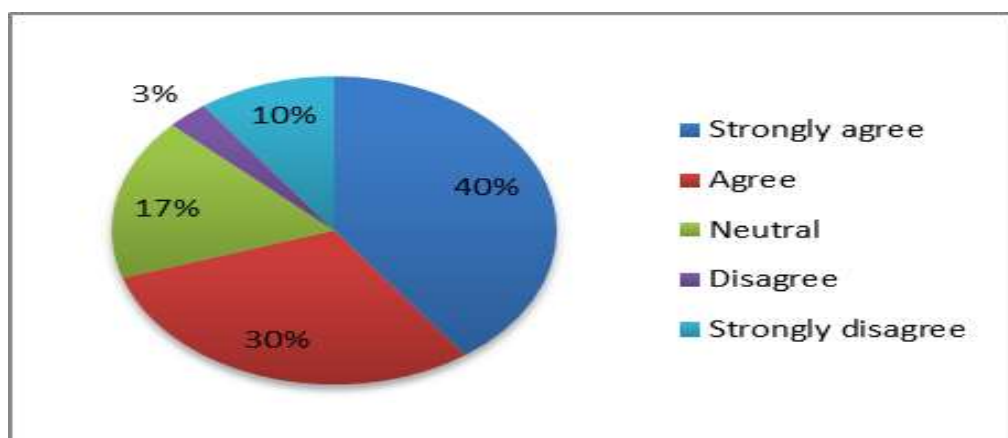


Figure 6: Celebrities Exploiting Fame

Based on Figure 7, the respondents were asked ‘have you visited a restaurant or café for a famous person?’. Based on Figure 7, 20 % strongly agree, 35 % agree, 12 % were neutral, 15% disagree and 18 % strongly disagree.

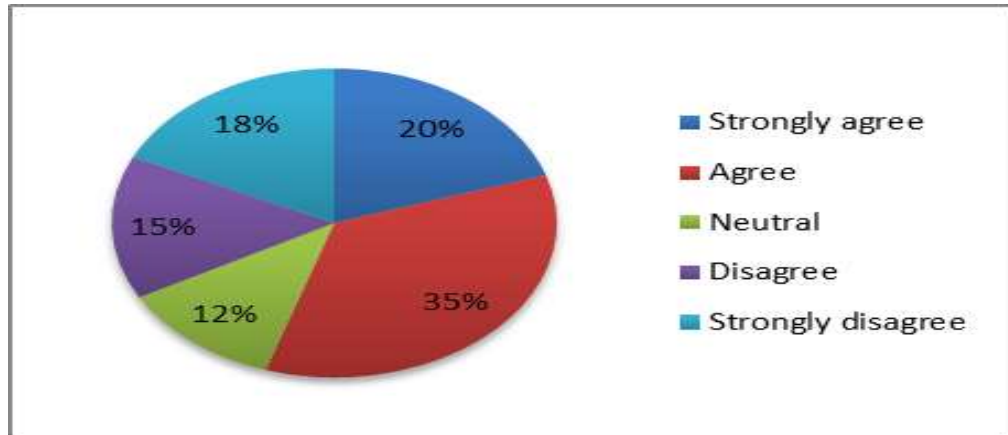


Figure 7: Visiting Restaurant or Cafe for Famous Person

Based on Figure 8, the respondents were asked ‘Are celebrities honest in their advertisement?’. Based on Figure 8, 20 % strongly agree, 20 % agree, 40 % were neutral, 10% disagree and 10 % strongly disagree.

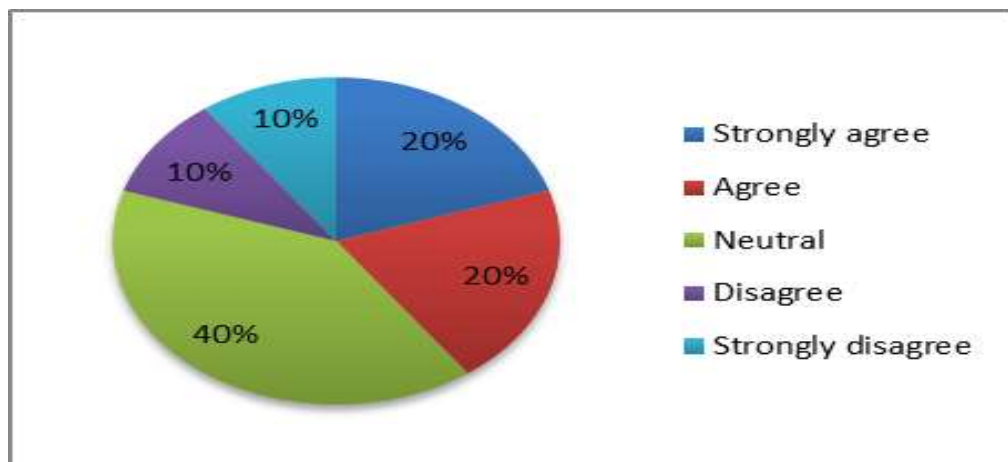


Figure 8: Celebrities Are Honest in Their Advertisements

Based on Figure 9, the respondents were asked ‘Have you ever bought a product advertised by a celebrity?’. Based on Figure 9, 20% strongly agree, 35 % agree, 20 % were neutral, 15% disagree and 10 % strongly disagree.

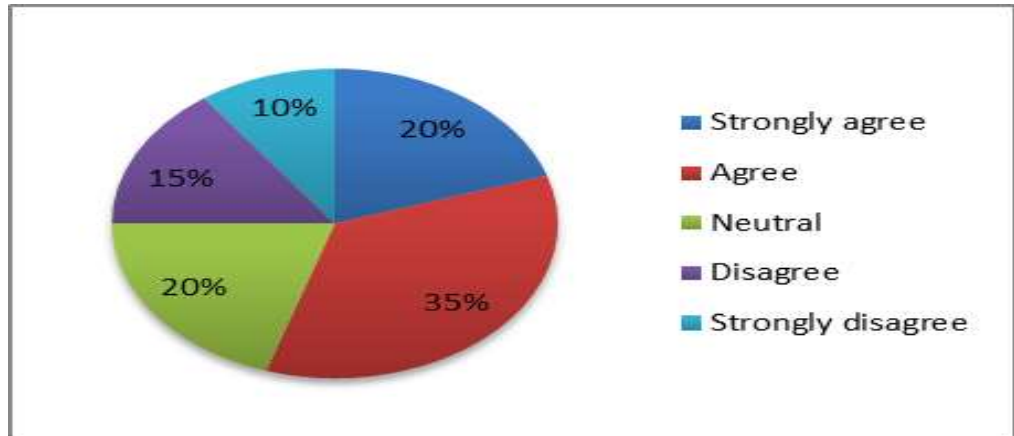


Figure 9: Purchased Product Advertised by Celebrity

Based on Figure 10, the respondents were asked ‘Do you trust the credibility of celebrity advertising?’. Based on Figure 10, 20 % strongly agree, 20 % agree, 35 % were neutral, 15% disagree and 10 % strongly disagree.

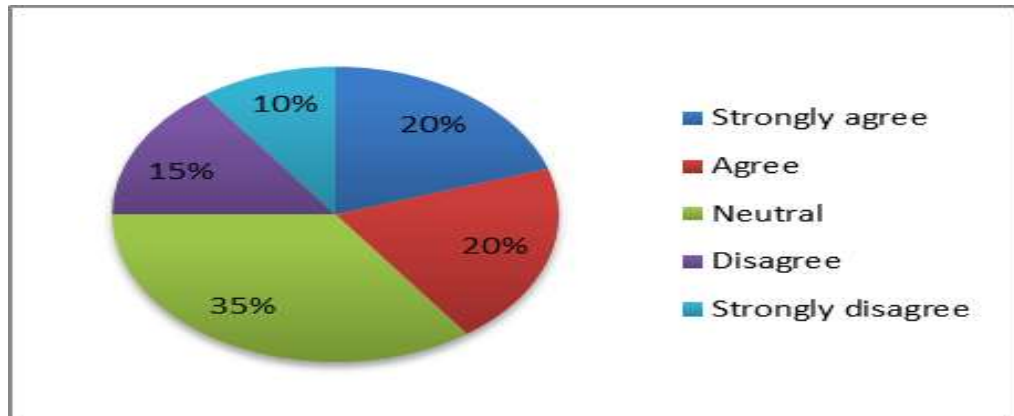


Figure 10: Credibility of Celebrity Advertising

Based on Figure 11, the respondents were asked ‘If you want to market your own product, will you advertise it with a celebrity?’. Based on Figure 11, 25 % strongly agree, 30 % agree, 20 % were neutral, 10% disagree and 15 % strongly disagree.

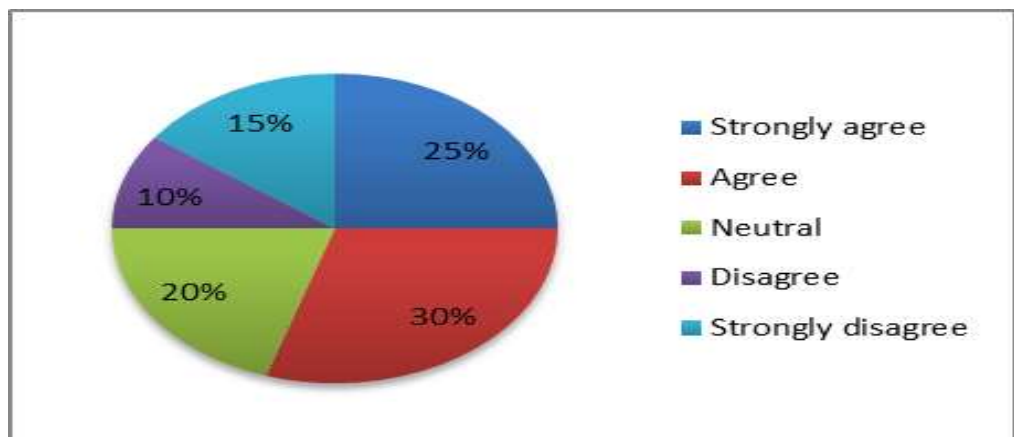


Figure 11: Marketing Own Product Using Celebrity Advertisement

Based on Figure 12, the respondents were asked ‘Do you expect the cost of celebrity advertisement to be expensive?’. Based on Figure 12, 35 % strongly agree, 40 % agree, 15 % were neutral, 5% disagree and 5 % strongly disagree.

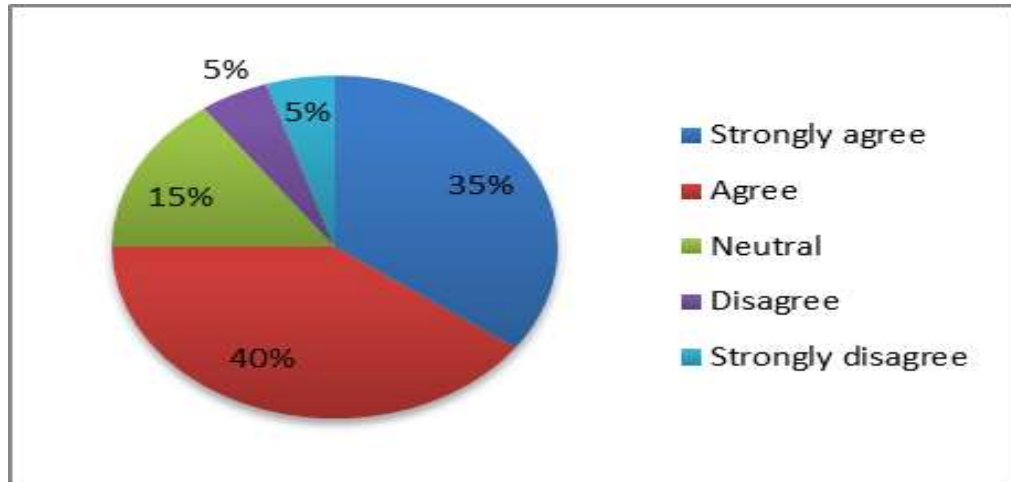


Figure 12: Cost of Advertisement with Celebrity

Based on Figure 13, the respondents were asked ‘Will you buy a product from a well-known company?’. Based on Figure 13, 30 % strongly agree, 35 % agree, 15 % were neutral, 10% disagree and 10 % strongly disagree.

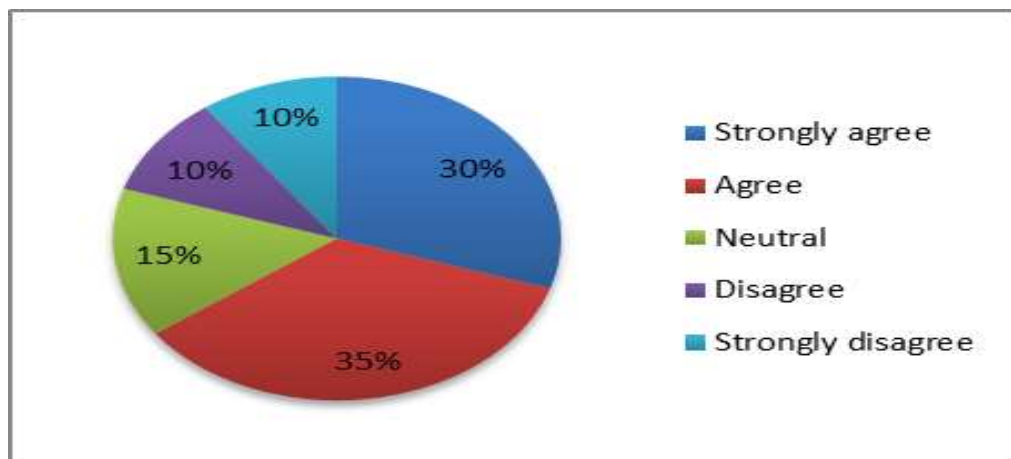


Figure 13: Buy Product from Well-Known Company

Based on Figure 14, the respondents were asked ‘Do you think promoting a product using a celebrity is more effective?’. Based on Figure 14, 35 % strongly agree, 40 % agree, 10 % were neutral, 10% disagree and 5 % strongly disagree.

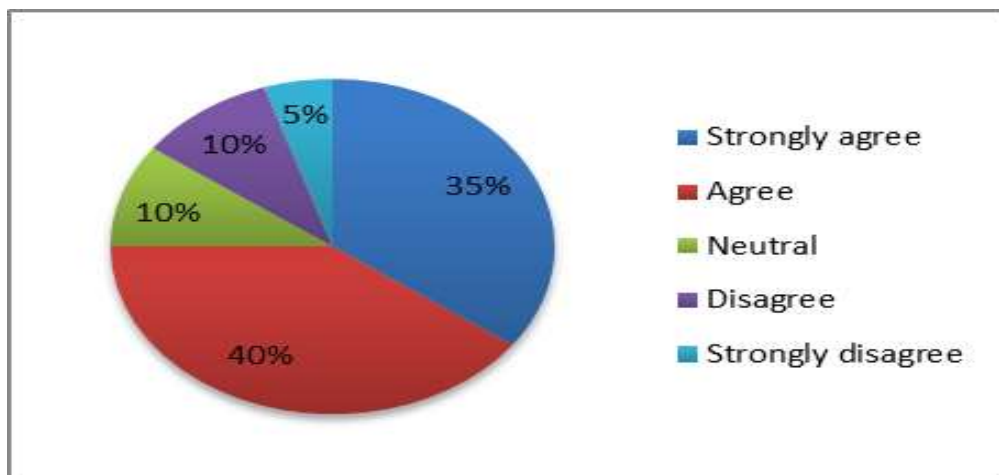


Figure 14: Promoting Product Through a Celebrity Is Effective

Based on Figure 15, the respondents were asked ‘Do you think celebrity that have high number of followers and it has positive effect on product advertisement?’. Based on Figure 14, 25 % strongly agree, 45 % agree, 20 % were neutral, 5 % disagree and 5 % strongly disagree.

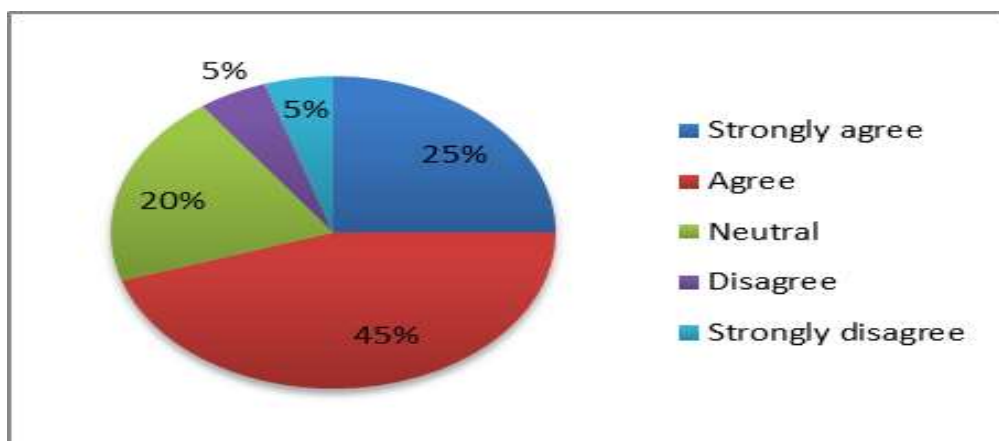


Figure 15: Celebrities Have High Number of Followers

OVERALL DISCUSSION

The association of celebrities with a business can help to increase its importance and salience. A celebrity appears to be more effective in channeling the message to the public, which is beneficial to a business. The key findings of this work showed that the respondents believed that the celebrity had a high influence on the business. This outcome is supported by the work of Sharma et al. [15] where it was stated that celebrity product endorsement has a significant influence on customer purchase decision. In addition, most of the respondents believe that the celebrities are highly credible in product advertisement. This view is similar with the work of Bergkvist et al. [16], where it was stated that business tends to use celebrity endorsement for their product due to the high credibility of the celebrity. Likewise, most respondents have stated that they will market their own product by using celebrity endorsement. The work done by Pradhan et al. [17] has confirmed that the product endorsed by celebrities is highly marketable

and has boosted product sales. Nevertheless, the respondents have also stated that the cost of advertisement using celebrity endorsement is high. The findings of this work have also shown that the respondents feel that promoting a product through celebrity advertisement is effective and the celebrities have a high number of followers. This result is agreed with the work of Sharma et al. [15], Bergkvist et al. [16], and Pradhan et al. [17], where it was stated that celebrity endorsement has a significant influence on customer purchase intention and product sales.

CONCLUSION

This work was done to evaluate the impact of celebrity fame in opening up a business at Saudi Arabia. The key outcome of this work has shown that celebrity endorsement is important for business. The product endorsed by celebrities viewed positively by consumers, and this is critically important for the success of any business. Celebrity endorsement for business and how it is delivered has a significant impact on the perception of the consumer. Thus, it is concluded that fame is an important element in ensuring a business or product's success.

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