

The effectiveness of celebrity endorsement in malaysia



Advertising started to play an active role in advertising when it came to the development of society in the economy in the early 1930s. Celebrities acted as spokesperson, in order to advertise and promote a company products, services or ideas. Those celebrities came from the art scene, modelling, sports as well as the entertainment industry (Kambitsis et. al., 2002). When a British actress Lillie Langtry appeared on a package of Pears Soap in 1893, she became the world's first celebrity endorser.

Since radio became commercial in the late 20s and television was introduced in the late 40s, celebrities started doing commercials (Sherman, 2010). Due to this, celebrity endorsement has become one of the most effective tools in attracting consumers. Almost every celebrity all around the world is doing commercials. For examples Jack Benny, an American actor and comedian endorsed Jell-O, a gelatin dessert product in the 30s and 40s, David Beckham with Pepsi, Soon Hye Kyo with Laneige, Ashwarya Rai with L'Oreal shampoo, Jackie Chan endorses Kaspersky, and many more.

In Malaysia, celebrities have also been widely used in advertising. For example, Erra Fazira endorses Lux, Sarimah with Rejoice, Chef Wan with Vesawit and Siti Nurhaliza with Pepsi. This shows that by having celebrities to endorse a product it will not only increase the brand image but also the level of credibility and belief among consumers.

1. 1 Problem Statement

Celebrity endorsement has become one of the most employed strategies in promoting a product or a service. This is because celebrities are well-known therefore; they will make the product that is being endorsed more

noticeable. Even though this strategy is the most commonly use, there are some companies in Malaysia are still reluctant to use this strategy in promoting its product. Therefore, this research with the title " The Effectiveness of Celebrity Endorsement in Malaysia" will help the companies by answering questions regarding the topic. They are:

What are relationship between advertising and celebrity endorsement?

What are the factors that influence the effectiveness of celebrity endorsement?

How effective is the implementation of celebrity endorsement in Malaysia?

1. 2 Research Objectives

Based on the problem statements stated above, the research objectives are:

To review the relationship between advertising and celebrity advertising.

To analyze the factors that influences the effectiveness of celebrity endorsement.

To evaluate the effectiveness of celebrity endorsement in Malaysia.

2. 0 Literature Review

2. 1 Relationship between Advertising and Celebrity Endorsement

Advertising is defined as the promotion of companies' products and services to drive sales and also to communicate changes of new products or services to the customers (Buzzle. com, 2011). Advertising has become one of the essential elements in a business because it does not only help in increasing <https://assignbuster.com/the-effectiveness-of-celebrity-endorsement-in-malaysia/>

the sales of the product but also creating and maintaining its image among customers. There are various types of advertising that can be implemented by companies in order to promote its products and services. They are print advertising, outdoor advertising, public service advertising, surrogate advertising, covert advertising, broadcast advertising and celebrity advertising (Buzzle. com, 2011).

Print advertising is a type of advertising that uses printing media such as newspapers, newsletters and magazines to convey its message to customers. On the other hand, outdoor advertising communicates its message through promotional display such as highway billboards, transit posters and arena placement (WisegEEK. com, 2011). According to WisegEEK. com (2011), Outdoor Advertising Association of America, Inc. (OAAC) had stated that businesses spent \$5. 8 billion dollars on outdoor advertising in 2004. Public service advertising is an advertising technique that conveys socially relevant messages regarding important matter and social welfare causes like poverty, and deforestation (Buzzle. com, 2011). Meanwhile, surrogate advertising is defined as the process of duplicating the brand image of one product extensively in order to promote another product of the same brand (Panda, 2005). For example, companies that produce cigarettes or alcohol which are prohibited by law in some country have to come up with other products of the same brand in order to remind people about their existence in the market (Buzzle. com, 2011).

Covert advertising is presently is the hottest trend in promoting a product.

Covert advertising is a type of advertising that incorporated in some entertainment and media channels such as movies, sports and TV shows in <https://assignbuster.com/the-effectiveness-of-celebrity-endorsement-in-malaysia/>

order to reach its customers. Some of the examples are the appearance on Nokia N97 in " I Gotta Feelin'" music video by Black Eyed Peas, and the sponsorship of an America TV show " F. R. I. E. N. D. S." by Nescafe. Another type of advertising is broadcast advertising. Broadcast advertising is a type of advertising that uses medium such as television, radio and internet to convey its message to the people. This is the most popular advertising technique because it enables the company to reach a wider audience. On the other hand, celebrity advertising is the use of a celebrity or a public figure for the purpose of selling products or services.

According to McCracken (1989), celebrity endorsement is defined as a personality who benefits from public recognition and utilizes this acknowledgment on behalf of a consumer product by endorsing it to the public (McCracken, 1989). In short, a celebrity is someone who is well-known due to his/her achievement especially in areas of entertainment such as films, music, writing, or sport. There are two forms of celebrity advertising; celebrity license and celebrity endorsement (Mistry, 2006). Compared to celebrity license, celebrity endorsement is the most widely used strategy in promoting products and services today. Celebrity endorsement is when celebrities give his/her expert opinion regarding the product, become the spokesperson for a product, or just being associated with a particular product (Seno and Lucas, 2007). However, according to Kamins (1989) celebrity endorsement may also include the non-celebrities such as a typical consumer, a product professional expert, or a company president. Typical consumer endorser is an ordinary person who has no special knowledge regarding the product but has already purchased and used the product

beforehand. On the other hand, a product expert is a person or a group that possesses a superior knowledge regarding the product (Zabid et. al., 2002).

2. 2 Celebrity vs. Non-Celebrity Effectiveness

According to Seno and Lucas (2007), a research has found that compared to other type of endorsers such as typical consumer and the professional expert, celebrities are the most effective individual to attract customers. In contrast, Tom et. al (1992) said that non-celebrities endorsers are more effective compared to celebrity endorsers. This is because with non-celebrity endorsers, it enables the company to control and create the characters that is appropriate for the product and the target audience. Besides that, these characters are not allowed to endorse any other product. On the other hand, celebrity endorsers had already created their own characters therefore; the company is unable to control them.

Differences were found in the cognitive responses. However, there is no statistically significant difference in attitudes towards advertising and the intention of purchasing the endorsed product in the celebrity and non-celebrity endorsement (Mehta 1994).

2. 3 Factors that affect the Effectiveness of Celebrity Endorsement

There are number of factors that influence the effectiveness of celebrity endorsement. Examples of the factors are celebrity performance, celebrity attractiveness, celebrity credibility, celebrity information, multiple endorsements, celebrity popularity, celebrity availability, celebrity-product

match, and many more. However, in this research only some of these factors will be discussed.

Celebrity Performance

In the context of this research, celebrity performance refers to the achievement of the celebrity in their chosen profession. This could refer to the success of the celebrity in music or movies, the performance level of athlete in sports and many more. When a celebrity fails to perform in acceptably by consumers, the effectiveness of the endorsement tends to decline (Agrawal and Kamakura, 1995). In contrast, if the celebrity performance is increasing, the effectiveness of the endorsement will also increase.

Celebrity Information

Since there is always a pairing between the brand and the celebrity established by consumers, negative information regarding the celebrity may affect the brand negatively (Erdogan and Baker, 2000). For example, Tiger Wood is always known as the endorser of Nike. However, due to a series of news report about his personal life, Nike lost over four percent of its aggregate market value (Knittel and Stango, 2009). This shows that a negative perception about a celebrity will decrease the level of the effectiveness of the endorsement. Hence, it will lead to a loss for the company.

Celebrity Attractiveness

Chao et. al (2005) has stated that celebrity attractiveness in one of the factor that can determine the successfulness of celebrity endorsement.

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According to Kahle and Homer (1985), physically attractive endorsers are generally viewed and more preferable by consumers compared to the less attractive endorsers. Hence, by having attractive celebrity endorsers, it will increase the effectiveness of the celebrity endorsement. For example, when Laneige decided to change its endorser from Jeon Ji Hyun to a prettier and famous Korean actress, awareness of the existence of the brand starts to increase among consumers. This leads to an increase in sales of the product (Amore Pacific Corporation, 2009).

Celebrity Credibility

The most important aspect in celebrity endorsement is credibility. According to Miciak and Shanklin (1994), a research made among 43 advertisement agencies and companies, it is believed that the most important scope of credibility are trustworthiness and the expertise of the celebrity with the product that is being endorsed. For example, with the credibility of Amitabh Bachchan's, Cadbury's business which was declining due to the controversy has been revived and back on track (Taleja, 2010).

Multiple Endorsements

There are two cases of multiple endorsements that are always been debated. They are 1) a single brand hiring multiple celebrities and 2) a single celebrity endorsing multiple brands. For example, Britney Spears, consumers may remember her as Pepsi's endorser but they might not remember her as McDonald's or Toyota Vios's endorser in 2000. Another example of multiple endorsements is "Clear for Men" uses Cristiano Ronaldo and Rain as endorsers.

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Celebrity-Product Match

The celebrity-product match/fit is also known as the match-up hypothesis. It refers to the synchronization of the match between the celebrity endorser and the product that is being endorsed (Till and Busler, 2000). According to Friedman et. al (1978), Erdogan and Baker (2000), and Till and Busler (2000), celebrity-product fit is the key function of the effectiveness of celebrity endorsement. This is because with the right celebrity with the right personality, the message can be convey to the consumers effectively. For example, Pepsi's target market is the youth. Therefore, by sponsoring Michael Jackson World concert in 1993, Pepsi is able to reach its target market easily.

Research Methodology

3. 1 Theoretical Framework

Figure 1: Factor's that Influences the Effectiveness of Celebrity Endorsement

3. 2 Path Analysis

The main purpose of this research is to analyze the factors the effectiveness of celebrity endorsement as well as to evaluate the effectiveness of celebrity endorsement in Malaysia. From the literature review above, it is found that there are 6 main factors that influence the effectiveness of implementing celebrity endorsement strategy to attract customers. By understanding these factors, the effectiveness can be identified. Hence, the effectiveness of the implementation of this strategy Malaysia can be investigated.

Research Design

The research design is a plan that is based on the research questions, a guide for selecting source and types of information and also a procedural outline for every research activity. In this research, a descriptive research has been chosen. Descriptive research is to portray an accurate profile of persons, events or situations.

First, researcher will get data from respondents through the suggested data collection methods. Once, all the data are gathered, a study will be made on the collected data in order to get the desired information. Once all the information has been taken, a conclusion and a recommendation (if applicable) can be made.

3. 4 Data Collection

Data is the most crucial element needed in making a research. This is because without the presence of relevant data, the objectives and purpose of a research cannot be met easily. There are two types of data; primary data and secondary data. Primary data is the original or first-hand material that has not been interpreted by anyone before. It can be further divided into two categories; qualitative data and quantitative data. Qualitative data is described as data that can be categorized according to its characteristics such as gender and nationality. On the other hand, quantitative data (also known as numerical data) are data that can be measured on a numerical scale. Secondary data is the information collected from other resources such as books, journals, review articles, and newspaper which is related to the research.

For this research, primary data can be obtained through questionnaires, focus group or observation. Questionnaire is a set of questions given to respondents in order to get data which is related to the research topic. On the other hand, focus group is a form of qualitative research in which a group of people are asked about their perceptions, opinions, beliefs and attitudes towards a product, service, concept, advertisement, idea, or packaging (Henderson, 2009). Meanwhile, observation refers to a technique in which the behaviour of research subjects is watched and recorded without any direct contact. The most effective primary research for this study is questionnaire. This is because questionnaires enable researcher to obtain data from the target group efficiently.

In the questionnaire, the questions are designed as open ended questions and close ended questions. Open ended questions are questions that required the respondents to attach their opinion towards the question. Meanwhile, the close ended questions required the respondents to choose, or rate the questions accordingly. For this topic, both questions are suggested to be asked in the questionnaire. By having these two types of questions in this questionnaire, it enables researcher to collect information containing both qualitative and quantitative data. However, there is no primary research has been done by the researcher yet. Therefore, no primary data are available.

For secondary research, data are obtained from journals, books, and website published by others. In developing this research, number of journals, articles, books and websites has been referred. However, only some of them are used in developing this research.

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3. 5 Sample

This research focuses on the sampling group of young adult and adult from the age of 18 to 35 years old. This range has been chosen because they are the group of people who always make their own decision on purchasing a product or service. Besides that, this range is chosen because they are the group of people who are always be influenced by the celebrities. By having them as the target segment, research can be done easily and effectively.

3. 6 Measures

In this research, the measurement scales that are selected are the likert scale and the nominal scale. According to Proctor (2003), nominal scale enables an object to be placed in one and only one of a set of mutually exclusive classes with no implied ordering such as gender; male or female. On the other hand, likert scale is a scaling method that describes the quantitative value to qualitative data in order to make it amenable to statistical analysis such as strongly agree, agree, neutral, disagree and strongly disagree (BusinessDictionary. com, 2011). For this research, the nominal scale is used to measure the age and gender of the targeted respondents and the likert scale is used to measure the consumers' perception towards celebrity endorsement.

3. 7 Limitation

Due to the nature of this research, it has to be said that the research could have been done more accurately if more resources for example text book could be obtain to support the research. This research title is very limited in text book provided in KBU College Library but there are more in the Emerald

Insight website. In order to obtain quality journals from there, users are recommended to pay the membership fee online. However, KBU does offer student the access to Emerald Insight website because the college had already paid the fee, but students are allowed to access to the website within the college premises.

Furthermore, this research only used secondary data collection. Most of the secondary data come from other authors' opinion gain from their findings. So, the opinions from other authors do not mean they are aligned with the entire population's opinions in this world. Due to this problem, the accuracy of this research had reduced. Besides that, due to the limited time, no primary research has been done. Hence, all information available in this research does not meet the purpose of this research which is to study the effectiveness of celebrity endorsement in Malaysia.

Ethical Consideration

Before conducting the research, a researcher has to make sure that the research topic, objectives and benefits are clearly explain to avoid the deception on the research. Besides that, all the information given by the respondents such as name, age, contact number and home address are private and confidential. Hence they must be protected and cannot be reveled or sold elsewhere. Respondents are also allowed to not to provide their details or information before answering the questions to protect their privacy if forced.