## IMPACT OF CELEBRITY ENDORSEMENT TO CREATE BRAND LOYALTY AMONG THE MOBILE SUBSCRIBERS IN KEGALLE DISTRICT



### SURAWEERA ARACHCHILAGE DILESHA THARANGANI RATHNAPALA



# DEPARTMENT OF MANAGEMENT FACULTY OF COMMERCE AND MANAGEMENT EASTERN UNIVERSITY, SRI LANKA

#### ABSTRACT

Advertisement by involvement of celebrities becomes an essence in modern competitive marketing environment for high recognition and creation of strong brand loyalty. Nowadays it has become a pervasive element of advertising industry in Sri Lank. Mobile telecommunication companies use celebrity endorsement to influence the loyal to the brand and in order to increase their sales and extend their market shares. This study specially focuses on examining the impact of celebrity endorsement to create brand loyalty among the mobile subscribers in Kegalle District.

The data for the study was collected through questionnaire through the convenience sampling method and data collected from 400 customers of mobile telecommunication subscribers in Kegalle District. In order to achieve the objective of this study, five research hypotheses were formulated and tested in this study, relying on the Statistical Package for Social Science, version 22.0 (SPSS). The data were analyzed by using descriptive, univariate and bivariate analysis.

The study found a positive and significant association between celebrity endorsement and brand loyalty. Importantly, the study discovered a medium and positive correlation among variables is found among celebrity endorsement and brand loyalty while the relationship among variables is found to be positive. Among the dimensions of celebrity endorsement, attractiveness was the most influence factor to create brand loyalty among the mobile subscribers in Kegalle District.

This study, therefore concluded that celebrity endorsement is a needful communication strategy for building brand loyalty and recommends that marketers must be careful enough to ensure a good endorser- brand fit in order to raise the unique selling proposition of the firm to new heights and celebrity who has highly attractiveness those people recommended to create the brand loyalty.

Keyword: Celebrity Endorsement, Brand Loyalty, Attractiveness, Trustworthiness

### TABLE OF CONTENTS

Page	No:
ACKNOWLEDGEMENT	.i
ABSTRACT	.ii
TABLE OF CONTENTS	.iii
LIST OF TABLES	.х
LIST OF FIGURES	.xii
LIST OF ABBREVIATIONS	.xiii
Chapter- 1 INTRODUCTION	.1-7
1.1 Background of the Study	1
1.2 Research Problem	3
1.3 Purpose of the Study	4
1.4 Research Questions	5
1.5 Objectives of Study	5
1.6 Significance of the Study	5
1.7 Scope of Study	6
1.8 Organization of Chapters	6
1.9 Chapter Summary	7
Chapter- 2 LITERATURE REVIEW 8	3-20
2.1 Introduction	8
2.2 Concept of Celebrity	8
2.2.1 What is the Celebrity Endorsement	9
2.2.1.1 Trustworthiness	10
2.2.1.2 Attractiveness	11

2.2.1.3 Expertness	12
2.2.1.4 Congruence	13
2.2.2 The Meaning Transfer Model: Celebrity Endorser's Contri	ibution
	13
2.2.3 Celebrity Endorsement as a Strategy	14
2.3 Brand Loyalty	16
2.3.1 Behavioral Loyalty	16
2.3.2 Attitudinal Loyalty	17
2.3.3 Brand Loyalty Model	17
2.4 Relationship between Celebrity Endorsement and Brand Loyalty	18
2.5 Summary	20
Chapter- 3 CONCEPTUALIZATION AND OPERATIONALIZATION	21-29
3.1 Introduction	21
3.2 Conceptualization	21
3.3 Conceptual Framework	21
3.4 Celebrity Endorsement	22
3.5 Brand Loyalty	22
3.6 Operationalization	23
3.7 Attractiveness	23
3.7.1 Indicators of Attractiveness	24
3.8 Trustworthiness	24
3.8.1 Indicators of Trustworthiness	24
3.9 Expertise	25
3.9.1 Indicators of Expertness	26
3.10 Congruence	26

	3.10.1 Indicators of Congruence	26
	3.11 Brand Loyalty	27
	3.11.1 Behavioral Loyalty	27
	3.11.1.1 Indicators of Behavioral Loyalty	27
	3.11.2 Attitudinal Loyalty	27
	3.11.2.1 Indicators of Attitudinal Loyalty	28
	3.12 Chapter Summary	29
Chapt	ter- 4 METHODOLOGY	30-36
	4.1 Introduction	30
	4.2 Study Setting, Study Design and Method of Survey	30
	4.3 Type of the Study	30
	4.4 Time Horizon	31
	4.5 Unite of Analysis	31
	4.6 Research Technique	31
	4.7 Sample Design	31
	4.7.1 Target Population	31
	4.7.2 Sample Location	31
	4.7.3 Sample Size	31
	4.7.4 Sampling Technique	32
	4.8 The Method of Data Collection	32
	4.9 Research Instrument	32
	4.10 Questionnaire Design	32
	4.11 Method of Data Measurement	32
	4.12 Data Presentation Analyses and Evaluation	33

4.13 Reliability34
4.14 Method of Data Presentation
4.15 Summary
napter- 5 DATA PRESENTATION AND ANALYSIS37-56
5.1 Introduction
5.2 Reliability Analysis
5.3 Personal Information
5.3.1 Service Provider
5.3.2 Gender
5.3.3 Age
5.3.4 Marital Status
5.3.5 Occupation
5.3.6 Income Limit
5.3.7 Education Level
5.3.8 The Used another Mobile Service before the Usage of Current
Mobile Service
5.4 Research Information
5.4.1 Objective 144
5.4.2 Objective No 2
5.4.2.1 Coefficient of Correlation between Attractiveness and Brand Loyalty
5.4.2.2 Coefficient of Correlation between Trustworthiness and Brand Loyalty
5.4.2.3 Coefficient of Correlation between Expertness and Brand Loyalty

	5.4.2.4 Coefficient of Correlation between Congr	
	5.4.2.5 Coefficient of Correlation between	
	Endorsement and Brand Loyalty	<u>-</u>
	5.4.3 Objective 3	52
	5.4.4 Objective 4	53
	5.5 Hypothesis Testing of Regression Analysis	55
	5.6 Summary	56
Chap	ter- 6 FINDING AND DISCUSSION	57-66
	6.1 Introduction	57
	6.2 Discussion on Personal Information	57
	6.2.1. Current Service Provider of the Subscribers	57
	6.2.2. Gender Distribution of the Subscribers	57
	6.2.3. Age of the subscribers	57
	6.2.4. Marital Status of the subscribers	58
	6.2.5. Occupation of the Subscribers	58
	6.2.6. Income Level of the Subscribers	58
	6.2.7. Education Level of the Subscribers	58
	6.2.8. The Used another Mobile Service before the Usage Mobile Service among the Mobile Subscribers	
	6.3 Discussion of Research Information	59
	6.3.1 Objective 1	59
	6.3.2 Objective 2	61
	6.3.3 Objective 3	62
	6.3.4 Objective 4	62

6.4 Discussion from Previous Study Related to Celebrity Endorsement and
Brand Loyalty62
6.4.1 Discussion from Previous Study Related to Levels of Celebrity Endorsement and Brand Loyalty
6.4.2 Discussion from Previous Study Related to Relationship of Celebrity Endorsement and Brand Loyalty
6.4.3 Discussion from Previous Study Related to impact of Celebrity Endorsement and Brand Loyalty
6.5 Decision of hypothesis64
6.6 Chapter Summary66
Chapter- 7 CONCLUSION AND RECOMMENDATION67-71
7.1 Introduction67
7.2 Conclusion for the Research Objectives
7.2.1 Conclusion for Objective One
7.2.2. Conclusion for Objective Two
7.2.3 Conclusion for Objective Three
7.2.4 Conclusion for Objective Four
7.3 Recommendation for this Study69
7.3.1 Recommendation with Regards to Celebrity Endorsement 69
7.3.1.1 Recommendation with Regards to Attractiveness 69
7.3.1.2 Recommendation with Regards to Trustworthiness 69
7.3.1.3 Recommendation with Regards to Expertness
7.3.1.4 Recommendation with Regards to Congruence70
7.4 Limitation of the Study
7.5 Direction for Future Research71

REFERENCES.	72-77
APPENDIX- 1 ENGLISH QUESTIONNAIRE	78-82
APPENDIX- 2 SINHALA QUESTIONNAIRE	83-85
APPENDIX- 3 OUTPUT OF THE SPSS	86-96