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The Effect of Celebrity Advertisement on Customer Purchase Intensity Case of Commercial Bank of Ethiopia, Bahir Dar City

Mulugeta, Tedla

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Wisdom at the source of the Blue Nile

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Bahir Dar University

**BAHIR DAR UNIVERSITY
SCHOOL OF POST GRADUATE STUDIES
FACULTY OF BUSSINESS AND ECONOMICS
DEPARTMENT OF MARKETING MANAGEMENT**

**THE EFFECT OF CELEBRITY ADVERTISEMENT ON CUSTOMERS' PURCHASE
INTENSION: A CASE OF COMMERCIAL BANK OF ETHIOPIA, BAHIR DAR CITY**

*A Thesis Submitted to the School of Graduate Studies, Bahir Dar University, College
of Business and Economics, Department of Marketing Management, MA Program
in Partial Fulfillment of the Requirements for the Degree of Master in Marketing
Management*

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Bahir Dar, Ethiopia

January 2018

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INTENSION: A CASE OF COMMERCIAL BANK OF ETHIOPIA, BAHIR DAR CITY**

By

Mulugeta Tedla

Approved by the Board of Examiners:

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Advisor	Signature	Date
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Examiner	Signature	Date

Declaration

I, Mulugeta Tedla, the post graduate student, hereby declare that the MA thesis entitled 'assessment on the effect of celebrity advertisement on customers' purchase intension: (the case of commercial bank of Ethiopia in Bahir Dar city)' is my original work, and it has not been presented for a Master in any other university and all sources of the materials used for this thesis have been duly acknowledged.

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Abbreviations and Acronyms

AD	Advertisement
ANOVA	Analysis of Variance
B/Dar	Bahir Dar
CBE	Commercial Bank of Ethiopia
D2	Distance measure
DF	Degree of Freedom
EBC	Ethiopian Broad Casting
NPP	Normal Probability Plot
PDF	Probability Density Function
SPSS	Statistical Package for Social Science
OLS	Ordinary Least Squares Assumptions
VIF	Variance Inflation Factor

Abstract

The ultimate goal of any business establishment is to remain in business profitably through sales of products or services. Without optimal profit, a business firm cannot survive. One of the core activities in a business company to stay in business is having a well-developed marketing strategy. To be successful, banks must look their marketing strategy in relation with the needs and wants of their customers and it should be implemented effectively to achieve the company's objectives. Customer satisfaction is important because many researchers have shown that customer satisfaction had a positive effect on any business organization profitability. Not only the service, they purchase can satisfy customers, but also by the bundle of service they got from the organization. Having this in mind, the study had been designed to assess the effect of celebrity advertisement on customer purchase intension on customers of commercial bank of Ethiopia.

Data was collected from 313 commercial bank of Ethiopia customers through questionnaire. The techniques of analysis used in this study were explanatory (multiple regressions). This study focused on examining the relationship between variables: (1) credibility, (2) attractiveness, (3) multiple endorsements that were identified during the literature review and customers purchasing intentions. This relationship were spotlight customers of Commercial Bank of Ethiopia in Bahir Dar and at large it would be used the Ethiopian advertising industry as a contextualization, due to the fact that it was identified a lack of information about celebrity endorsement overall strategy in Bahir Dar, Ethiopia.

Results indicated that discovered effects of celebrity endorsement (physical attractiveness, credibility, and multiple celebrities) had significant effect on customer purchase intension and attractiveness, credibility, and multiple celebrities and purchase intension had positive relationship. Other findings were derived from the analyzed the collected data resulted in some very interesting facts, which had been summarized in the conclusion, and marketing implication relating to it had been discussed.

Key words: Purchase intension; Celebrities; Advertisement /endorsement and endorser.

CHAPTER ONE: INTRODUCTION

1.1 Background

Celebrities are those people who have well known by the large number of people Erdogan (1999). They have special uniqueness and features like magnetism, unusual standard of living or special skills that are not commonly experiential in common people. That it can be said that in society they are different from the common people. McCracken (1989: 310) describes the celebrity as “any individual who enjoys public recognition and who uses this recognition on behalf of a consumer good by appearing with it in an advertisement”. Celebrity endorser includes movie and television stars, models and individuals from sports, politics, business, art and the military worlds. The study from Friedman and Friedman (1979: 63) defined that “a celebrity endorser is an individual who is known to the public (actor, sports figure, entertainer, etc) for his or her achievements in areas other than that of the product class endorsed”.

Celebrity Endorsement was initiated mid 80’s in India. One of the first sports endorsements in India was when Farokh Engineer became the first Indian Cricketer to model for bry lcream.

Celebrity endorsement: Khatri (2006) studied that the celebrity endorsement is the Promotion strategy to attract the customers. An International Peer-reviewed Journal Vol.16, 2015 analyzing the current market, now it’s become the need of the marketers to use the different famous personalities to relate with their brands to create unique identity of the brand and to do famous his company’s brand or product, which results high expenditure for the company to use that strategy, however nowadays it is used to be a powerful strategic tool to get maximum profit.

It also shows that this can carry risk, because there is no sureness that the celebrity can come up with the sales generation of the firm. However, it creates a buzz and gives popularity to the company and the brand. This can increase the expectation of the customers in terms of real star by delivering the company promise. There are certain perspectives occur where the real persons can work better than the celebrities’ endorsement, but not always. Due to the competitive environment in which the bank sectors are working on, doing an effective communication is definitely one of the key issues to catch

the attention of the consumers and there are varieties of communication strategies, which allow the advertisers to reach their target.

The use of celebrities as spokespersons is becoming an increasingly common strategy in the advertising industry. For example, in the United States, approximately 25% of all television ads feature one or more celebrities (Erdogan, Baker and Tagg, 2001) and almost 10% of all dollars spent on advertising go to celebrities in different advertisements (Agrawal and Kamakura, 1995). Millions of dollars are spent on celebrity endorsement contracts to make the communication process more effective and convincing (Tripp et. al., 1994) and recent reports suggest as an example that each year David Beckham earns over US\$ 40M and Tiger Woods (before public scandals) was earning over US\$ 100M in endorsement incomes (Scott 2007). According to Friedman and Friedman (1979), three types of endorsers are widely used in advertising today:

1. The celebrity
2. The professional expert
3. The typical consumer

Attention, awareness, and attitude: This information has extended by Zafar (2009) and suggested that the celebrities' endorsements are being used to get the attention of the bank customers. In this process, the message of the main motive of the product/service was explained by the well-known personalities. Therefore, they are more preferable by the banks for developing the awareness.

However, the banking sector was still challenged by:

1. The reputation of the celebrity may decrease the image after he/she has endorsed the bank: for example, if commercial bank of Ethiopia uses three known celebrities. Since the behavior of these celebrities reflects the brand itself, celebrity endorsers may at times become liabilities to the brands they endorse. (Erdogan and Baker 2000; White, Goddard and Wilbur, 2009).

2. Over shadowing the brand/bank: This terminology pertains to the issue of a celebrity overshadowing the brand/bank. If there is no match between the bank and the celebrity, then the customer will remember the celebrity and not the bank. (Sandin and Widmark, 2005; Erdogan, Baker and Tagg 2001).

3. Inconsistency in the professional popularity of the celebrity: The celebrity may lose his or her popularity due to some lapse in professional performances. Therefore, the performance laps affect the bank image, which was endorsed. (Erdogan and Baker 2000)

4. Multi product/service advertisement will lead to overexposure: The novelty of a celebrity endorsement may fade if he /she do too many advertisements. This situation may be termed as commoditization of celebrities, those who are willing to endorse any thing for good amount of money. (Tripp *et al.*1994; Johansson and Sparredal 2002).

Buying behavior is a process by which a people search for the product/services they need or want, make decision to buy the required and most suitable one from different alternatives, use and the dispose it.

Impact of endorsement on buying behavior: Ranj barian, Shekarchizade & Momeni (2010) agreed that advertisement is the action that persuades individuals of any particular market to buy product or service. Through different ways, the advertisement message can be spread like TV ads, radio publicity, print promotion, online advertising, billboard marketing, etc. However, the present thesis was emphasizing celebrities' advertisement on TV. McCracken (1989) found that celebrities endorses characterized an effective way of transferring meaning to brands or banks. The common conviction of the marketers is that there is a significant and huge impact of those advertisements, which are endorsed by the famous celebrities comparably with the non-endorsed celebrities in bank or service industry.

1.2. Statement of the Problem

Celebrity endorsement deemed as a key element that positively shapes the consumers buying intentions. There are numerous reasons of that and one important is trustworthiness and believes. For remembering the brand on the evoked set of the consumer, celebrity endorsers help increase the trust in current and potential consumers. Celebrities help to recall the brand to see the advertisement, having a favorite celebrity in the advertisement than it can more influence on the customer. Celebrity endorsements are so common in advertising is a brand recall.

Customer responses depend on what the customer buy, how he/she buy, when and where he/she buy,

how much he/she buy that is based on their background, values, personality, family cycle, attitude, motivation and perception and other many reasons internally and externally. Changing technology, lifestyle, new demands and willingness of other countries norms are press companies to do rapidly replace there promotion tool and offering. Due to rapidly changing the customer buying behavior, banks provide more favor to the consumer by providing quality service and reasonable interest rate. Arora and Sahu (2014) now days said more banks doing contract with endorsers; they can maintain an appropriate and distinctive position in the mind of the consumer. Celebrities have a very important tool to influence the consumer for getting services or goods.

Advertising appeal relates to the concept such as organization representation and organization conviction. In a bank service advertisement, advertising appeal effect on consumer's bank choice intention. It also provides the emotion viewers generate from watching the advertising substance broadcast constantly throughout the medium. Advertising appeal explores the purchase and helps their decision-making and ultimate consumer response reflected in buying behavior.

In Ethiopia, marketers including banking sector in order to increase their sale and thereby extend their market share nowadays, more frequently used the use of celebrity advertisement strategy. Many celebrities were used in various marketing campaigns and in most case, the use celebrities as endorsers seen from mainly positive aspects.

Therefore, this study was investigated how celebrity advertisement affect bank customers purchase intention in Bahir Dar, Ethiopia.

1.3. Objectives of the Study

1.3.1. General objectives

The purpose of this research is to examine the effect of Celebrity advertisement on customers purchase intension.

1.3.2. Specific objectives

The specific objectives of this research were including the following:

1. To assess the effect of source credibility in the advertisement on customers purchase intension/ decision.

2. To analyze if the multiple celebrity endorsement in the advertisement has effect on customers purchase decision/ bank choice.
3. To examine celebrity's physical attractiveness in the advertisement has effect on customers purchase intentions.

1.4. Hypothesis

H1. Physical attractiveness has positive and significant relationship with purchase intention

H2. Source credibility has positive and significant relationship with customer purchase intentions

H3. Multiple celebrities has positive and significant relationship with customer purchase intentions

1.5. Significance of The study

Celebrities add flavor to the bank advertisement campaigns and make them colorful attracting the eyeballs of the millions. It refreshes the bank image and helps in quick bank recognition. Association of bank with a highly noted celebrity can make it more attractive.

The influence of celebrity image and its effect on the customer's bank selection intension had a significant impact. Thus, the study was attempted to analyze the effect of celebrity adverts on intention of bank customers in Bahir Dar city. The present study also provides a clear understanding of different concepts related to the research topic.

The study help for advertising practitioners, marketers, researchers and academicians in inferring the impact of celebrity advertisement on bank service and was help full to penetrating the bank market more effectively. Specifically, this research was help in the following way:

- The study was help to increase the level of the customer's awareness of bank celebrity advertisement.
- It help to know celebrities had a positive influence on customer's purchase intension/ choice of banks
- It indicated the use of celebrity advertisement promoted the public image of the bank
- The study help - full for bank managers, advertising practitioners, bankers, owners, marketers, researchers and academicians in inferring the effect of celebrity advertisement to bank

services and thereby was help in penetrating the bank market more effectively.

- It can also used as a reference for others who want to make further studies in some related areas.

1.6. Scope of the study

The scope of the study limited to the effect of celebrity's advertisement on customers, which was from the standpoint view of banks customers (Commercial Bank of Ethiopia) in Bahir Dar city.

The findings of the research were more fruitful if it was conducted widely by including all banks of the country / all banks in the Amhara region. However, due to time, labor and money constraints it was too tedious and not manageable to the researcher to include all banks of the Amhara region, even all banks in Bahir Dar city.

Thus, the study delimited to focusing only selected bank found in Bahir Dar city. The scope of independent variable was limited to examine the relationship of celebrity's physical attractiveness, credibility, and multiple celebrity endorsements by same bank on customers buying intension. The dependent variables used in the study were - effect of celebrity advertisement on bank customer's purchase intension.

1.7. Limitation of the study

As it happens with the majority of studies, no honest research was completed without admitting the limitations that were faced during the study

The study was comprehensively investigated the effect of celebrity advertisement on Commercial Bank customers in Bahir Dar city. The first limitation was difficult if the researcher included all the variables that affect celebrity endorsers on customers buying decision, so it's was better to investigate in detail the entire elements that affected customers buying decision through celebrity.

The second limitation was lack of review of related literature, the empirical research, and its limitations work as a basis of future recommendation in order to obtain better results in future investigations made within the same topic.

The third limitation was limited to study only on customers of Commercial bank of Ethiopia in Bahir Dar city.

1.8. Organization of the study

The present study was organized in to five chapters and subtitles under each chapter. Chapter one deals about the introductory part and background, statement of the problems, objective of the study, significance of the study, scope of the study ,limitation of the study, and organizations of the study.

Chapter Two presents the review of the related literature, which includes review of related readings, related literature, related studies and conceptual framework.

Chapter Three include methodology that included research design, determination of sample size, sampling design, techniques, the research instruments, data gathering procedures and data analyzing method.

Chapter Four include results, analysis, and interpretation of the gathered data and the last chapter, Chapter five was provides conclusion and possible recommendation about the overall study.

1.9. Operational Definitions

1. CELEBRITY:

A **Celebrity** is a person, who has a prominent profile and commands some degree of public fascination and influence in day-to-day media. A Person with great popular appeal, prominence in a particular field, and is easily recognized by the public. Celebrities may be known around the world .

2. CELEBRITY ENDORSERS:

Celebrity endorser includes movie and television stars, models and individuals from sports, politics, business, art and the military worlds.

A celebrity endorser is an individual who is known to the public (actor, sports figure, entertainer, etc) for his or her achievements in areas other than that of the product class endorsed”.

3. CELEBRITY ENDORSEMENT:

A form of brand or advertising campaign that involves a well-known person using his/her fame to help promote a product or service. It refers to use of celebrities in order to increase sales of a service/product.

4. Buying Behavior:

Buying behavior is a process by which a people search for the product/services they need or want, make decision to buy the required and most suitable one from different alternatives, use and the dispose it.

5. Brand:

Brand is a given name, indication, and symbol, intend or blend of them that make one product or service different from other product or service. Like CBE, Bank of Abyssinia, Dashan Bank differs from each other. Brand is all about to create some associations with the customer, when it shows any characteristics of the brand he just recognizes the brand. It is about getting people to see you as the only one that satisfy them in best way. The good brand includes, clears message delivery, assures your trustworthiness, attach with your target market emotionally, peruse the buyer and create loyalty.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

This review of literature will cover an overview of what consumer behavior is, how adding a celebrity to an advertisement adds value to it, and how the variables of source credibility, physical attractiveness, and to analyze the multiple celebrity endorsement in the advertisement will have an impact on customers purchase decision/ bank choice .

2.1. Definitions and Concepts

Marketing tends to adopt new and different modes of promoting their product or services, and marketers are in search of different and unique means to attain the completely new level of active and persuasive advertisements and promotion.

2.1.1. CELEBRITY

A Celebrity is a person, who has a prominent profile and commands some degree of public fascination and influence in day-to-day media. A Person with great popular appeal ,prominence in a particular field, and is easily recognized by the general public. Various careers with in the fields of sports and entertainment are commonly associated with celebrity status, (McCracken, G. (1989),

While people may gain celebrity status as a result of a successful career in a particular field (primarily in the areas pertaining towards sports and entertainment), in other cases, people become celebrities due to media attention for their extravagant life style or wealth (as in the case of a socialite); for their connection to a famous person (as in the case of a relative of a famous person); or even for their misdeeds (as in the case of a well-known criminal). Celebrities may be known around the world (e.g., pop stars and film actors), within a specific country (e.g., a top Australian rugby player);or within a region(e.g., a local television news anchor).According to Friedman and Friedman, a “celebrity endorser is an individual who is known by the public for his or her achievements in areas other than that of the product class endorsed”. Biswas, S., Hussain, M. and O’Donnell.K (2009),

Compared to other endorser types, famous people always attach a greater degree of attention, recall and loyalty. In this age of intense competition, where capturing a position in the consumers’ mind

space is extremely tough, celebrity endorsements give an extra edge to the companies for holding the viewers' attention. Celebrities can catalyze brand acceptance and provide the enormous momentum that brands require by endorsing the intrinsic value to the brand. The term 'Celebrity' denotes a person who is popular among people such as actors, sports person, entertainers and others who have accomplishments in their respective fields besides the product they endorsed (Friedman and Friedman,1979).

According to Katyal,S., (2007). term 'celebrity' can be defined as, "Celebrities are people who enjoy public recognition by a large share of certain group of people" .And "Celebrity is anomic present feature of society, blazing lasting impressions in the memories of all who cross its path". Dean H (1999). defines: "A sign of a celebrity is that his/her name is often worth more than his/her services". Celebrities are individuals who relish public gratitude and acknowledgement, and who frequently possess unique traits like Charm and Credibility.

Ethiopia, a land that boasts of a vibrant culture and rich traditions, has produced many famous personalities in the fields of music, arts, literature, and science. Especially renowned for its diversity in music, each of the country's ethnic groups is associated with unique sounds ranging from traditional folk music to Christian and secular music.

2.1.2. CELEBRITY ENDORSEMENT

A form of brand or advertising campaign that involves a well-known person using his/her fame to help promote a product or service. It refers to use of celebrities in order to increase sales of a product. Celebrity Endorsement was initiated mid 80's in India. One of the first sports endorsements in India was when Farokh Engineer became the first Indian Cricketer to model for Bryl cream. The Indian cricket team now earns roughly Rs.100 crore through endorsements.

Celebrity endorsement is one of the means to persuade the consumer. Today the marketers recognize it properly that celebrities play a significant role in order to make the Ads more compelling and convincing. "People's fascination with celebrities isn't going away. The use of celebrities is here to stay. But in what form is the open question". Celebrity endorsement can enhance the charm & enchant of a brand. When celebrities were used in an effective manner, they have the ability to play worth full role in improving brand's competitive perspective and increasing brand equity.

The application of celebrity endorsement is so productive that it has now become an industry. There are advertising businesses that are specialize in assessing the stock value of the celebrities and assisting brands couple their products with the suitable celebrity. While developing of promotional program, it is compulsory the plan adopted should have significant concentration on unique and different message regarding the product in order to persuade the positive attitude and improved buying behavior towards brand (Lafferty & Goldsmith, 2004).

The idea of customer behavior is of a cute importance in the promotion of goods and services, because customer's behavior fluctuates a lot. Hence, a clear realization of customer's conduct help companies in discovering what matters to the customers, and proposes the significant effects on customers purchase decisions. This helps sellers to supply goods & services according to the need of the target market According to aker, (1996) defined consumer behavior as; "The decision process and physical activity individuals engage in when evaluating, inquiring, using or disposing of goods and services". Because of their popularity, celebrities not only gains attention but also get high recall rates for marketing messages in today's immensely chaotic atmosphere. A mostly customer buying behavior is determined by likes and dislikes of customers regarding the marketing of the product that has been advertised. Brand face and celebrity endorsement is seen as the fundamental component of effective marketing.

2.1.3. Consumer Behavior

Consumer behavior can be defined as activities people undertake when obtaining, consuming, and disposing of products and services. Simply stated consumer behavior is the study of why people buy. Studying this behavior is important because when more is known about why people shop and buy certain products; the easier it becomes to develop strategies to influence consumers to buy. More recently, researchers are expanding their scope of research from why people buy to why and how people consume. Analysis of consumption behavior represents a broader conceptual framework than buyer behavior does. Because it includes factors that arise after the purchase, process occurs (Reginald Esangbedo, 2001).

Ultimately, consumers decide with their money, which companies will be successful and which ones will fail. Consumers have the power to make or break products/service. Products and services are accepted or rejected because of the extent to which they are perceived as relevant to needs and

lifestyles. Individuals are fully capable of ignoring everything the market has to say, they are also capable of buying everything they like.

To understand consumer behavior, researchers must learn what is going on in consumer's heads. They must understand not only why consumers behave the way they do, but also apply that knowledge to product development, advertising, retailing, and other areas of marketing.

There are several ways in which researcher's measure consumer behavior. Some conduct experiments to determine changes in buyer behavior using focus groups, conducting interviews, or administering questionnaires, others might explore store settings or peoples home to better understand how consumers use products or invent ways to solve problems (Reginald Esangbedo, 2001). All studies have one goal in mind and that is to learn more about the consumer and how their mind works. There are many variables that affect consumer behavior, such as age, income, gender, geography and personality.

Every consumer is different and because of that, marketers and advertisers must get consumers to think about their product, so they will go out and buy it. The more comfortable a consumer feels towards the advertiser and /or the marketer, the more likely the consumer is to buy that specific product. There are also many ways to measure consumer behavior. Among this Measuring attitudes, purchase intentions and product beliefs are the most common.

Attitude research in consumer behavior field traditionally assumed that attitudes were learned in a fixed sequence, consisting first of the formation of beliefs (cognition) regarding an attitude object, followed by some evaluation of that object (affect) and then some action (behavior) (Saleem, Florida. (2007)). The consumers' level of involvement in the object also plays a key role on how they form their attitudes. Multi attribute models are very popular among researchers to measure attitudes because they help break down the complexity of attitudes.

2.1.4. Advertising

According to Um, Nam-Hyun (2008), Advertising is the manner in which consumers become educated in a persuasive and elusive manner about the various products that corporations and other types of businesses have to offer . The main goal of advertising from a business standpoint is to generate the sale of products by having consumers relate to messages and claims being made through

different advertising mediums. These mediums can be television commercials, print ads, billboards, posters, flyers and more recently, product placements on television shows. Advertising affects people in many ways. It can influence everything from large corporations to small rural churches. Advertising that is intended to educate the consumer of the products available is done so by explaining and demonstrating the products attributes.

While doing this, benefits are stated to show the consumer how their life would be better if they buy this product. Usually the attributes, including the cost, are conveyed to the consumer in a way that persuades the consumer to buy the product. Advertising that can arouse feelings, create liking, stir desire, or persuade convincingly can have a greater impact on the consumer, generating sales for that product. The bulk of advertising is an attempt to build and strengthen the consumer's conception of what the brand means to them .Ultimately, the advertisers want to make their product distinct and so valuable that the consumer will become a repeat buyer. Biswas, S., Hussain, M. and O'Donnell.K (2009),

According to Woodside and Taylor (1978), consumers related higher quality products with more heavily advertised products. Purchase intentions were also associated with higher quality nationally, advertised products. They found that advertising may influence the perception of quality in consumer's minds, which in turn may affect their purchase behavior. Advertisers must be careful not to confuse the consumer.

The greater the number of competing brands advertised in a product category, the greater the likelihood that the target brand and its advertised attributes will be either confused with other product information or simply passed over. When multiple brands are advertised in a specific product category, overlapping themes might become confusing to the consumer, resulting in the consumers forming weak associations with the product and the advertisement (Amos, C., Holmes, G and Strutton, D (2008),). Advertisers must find a way to make their advertisement different from the others. One way that this can be done is by using celebrities.

2.1.5. Attitude toward the Advertisement

Advertising is defined as a predisposition to respond in a favorable or unfavorable manner to a particular advertising stimulus during a particular exposure situation (Balakrishnan, L and Kumar, C.Shalini (2011). Advertising may contain both affective reactions (ad-created feelings of happiness)

and evaluations (an ads credibility or informativeness). The advertising function for advertising is not directed at specific product attributes/benefits, and the objective is not to influence consumer's beliefs toward the brand perception.

The direction is instead directed towards creating a favorable attitude toward the advertisement in order to leave consumers with a positive feeling after processing the ad advertising. There are two distinct dimensions of ad, one cognitive and the other emotional. Emotionally, consumers form attitudes toward the ads by consciously processing execution elements (components found in advertisements, such as the endorser, presentation style, color use, and title/font presentation).

Cognitively, consumers form attitudes resulting from the conscious processing of specific execution elements in the ad, such as the endorser, the copy, the presentation style etc. (Dean DH (1999), Simply stated, Advertisement may result because the ad evokes an emotional response, such as a feeling of love, joy, nostalgia, or sorrow, without any conscious processing of execution elements. These two dimensions may have different impacts on consumer's attitudes.

2.1.6. Celebrities in Advertising

Endorsement is a channel of communication where celebrities act as spokesperson of the brand and by extending their popularity and personality they certify the brand's claim and position, (Kotler, 2009). A celebrity endorser is an individual who is known to the public (actor, sports figure, entertainer, etc.) for his or her achievements in areas other than that of the product class endorsed. Reports from the annual surveys of Forbes magazine reveal that many celebrities earn much more money from their endorsement contracts than from their usual fields of practice.

Amos, C., Holmes, G and Strutton, D (2008) indicates that the key to using a celebrity in an advertisement is to ensure that the celebrity is well known enough to get attention, but also will not upstage the product; the product and not the personality has to be the star.

One way in which celebrities attract the attention of consumers is by the meanings the celebrity brings to the brand he or she is endorsing, which McCracken (1989) described as the Transfer Meaning Model. According to the model, celebrities effectiveness as endorsers stem from the cultural meanings in which they are endorsed.

It is a three stage model that states the transfer starts at the formation of celebrity image which is then transferred from the celebrity to the product, and finally from the product to the consumer.

Distinctions of status, class, gender, age, lifestyle types, and personality types are examples of meanings represented by the vast pool celebrities advertisers have at their disposal. Consumers can perceive these meanings in different ways.

Three documented ways that consumers relate to the meanings that the celebrities can occupy are compliance, identification, and internalization McCracken (1989). Compliance can occur when an individual accepts influence from another person or from a group because he hopes to achieve a favorable reaction from them. The individual may be interested in attaining certain specific rewards or avoiding certain specific punishments that the influencing agent controls. The influencing agent can be the celebrity, and the consumer may be complying with them so he can feel that he has approval of his purchase. When the individual complies, he does what the controlling agent wants him to do because he sees this as a way of achieving a desired response from the controlling agent.

Identification can occur when an individual adopts behavior derived from another person or group because this behavior is associated with a satisfying self-defining relationship to this person or group. The individual actually attempts to be like the other person; by saying what the other says, doing what the other does, wearing what the other person wears, the individual maintains a relationship that is self-satisfying.

In this case, the person is buying something because he sees the celebrity wearing or promoting it and wants to be just like that celebrity.

The consumer thinks that if he/she buys that specific product he/she will either look like or become like the celebrity. Physical attractiveness is one of the main elements found in this process. The individual is not primarily concerned with pleasing others, as in compliance, but is concerned with meeting the controlling agents' expectations for his own role performance. Individuals accept influence from an attractive/likeable endorser because of a desire to identify with that person. The physical attractiveness factor is one element this study was examined and will be thoroughly explained later in the review, (Dean DH (1999)).

Internalization can occur when an individual accepts influence because the induced behavior is congruent with his value system. It is the content of the induced behavior that is intrinsically

rewarding; the individual adopts it because they find it useful for the solution of a problem, or because he perceives it as inherently conducive to the maximization of his values. Credibility is a major factor here. Typically, when this process occurs the individual will not totally accept the recommendations, but will modify them to fit his own situation. The consumer here will look to the celebrity for expertise, and if they feel that the celebrity is knowledgeable, enough he will buy the endorsed product/service, (Dean DH (1999)).

Advertising using celebrity endorsers must match-up the celebrity's image with the image of the product/service advertised because that makes the message easier for the consumers to internalize. Various types of endorsements by spokespersons attempt to project a credible image to influence consumers favorably toward the product being advertised; those perceived as a credible source have such intrinsic attributes as trustworthiness, expertise, and attractiveness. It is this process where McCrackens Meaning Transfer Model is best formed because information from the spokesperson is internalized with the individuals own attitudes and values. The source credibility factor is another element that this study was examined and it was thoroughly explained later in the review.

A study conducted by Um, Nam-Hyun (2008), demonstrated that identification and internalization are independent processes with separate determinants and separate consequences and that attraction toward like things is a function of both identification and internalization. He found that respondents that had positive attitudes also thought the communicator was trustworthy and were attracted toward others who agreed with their position; the more the respondents agreed with the position, the more trusted the communicator and the more attracted they were to others who agreed with them, thus proving that identification and internalization are independent processes. It also proves that attraction of like things is affected by both identification and internalization. These two processes independently mediated attitude change. All three processes are relevant to the way consumers buy products. How the consumer relates to the celebrity, to the ad, and to the product itself will determine which product they purchase.

The celebrity has many roles when endorsing a product; he/she can act as an expert, a spokesperson, a promoter, or "just be a pretty, adding equity (value) to the brand and enhancing the brands competitive position. Thus, celebrity's stamp of approval can bring benefit to brands equity and can create an emotional bond, if the fit is right (Ranjbarian, B., Shekarchizade, Z. and Momeni, Z. (2010),

2.1.7. Potential advantages of Celebrity Advertising

There are a number of advantages to using celebrities in advertising, whether you are running print, Internet, radio or television commercials. The key for small companies is making sure the local celebrity is relevant and has broad appeal. Popular celebrities often work best because they naturally generate lots of attention. However, despite their following, celebrities are most effective if they promote products or services they are most likely to use. In other words, they must be plausible consumers, such as a local newscaster wearing a business suit from an area men's store.

2.1.7. 1. Influences in Consumer choice/Purchases

The affinity consumers have for certain celebrities can greatly influence their purchases. People may have the attitude, "If the product is good enough for her, it's good enough for me." This philosophy is often the impetus behind advertisements for makeup, skin creams, hair products and attire. Consumers want the wavy hair of a local celebrity, for example. Hence, they purchase the brand that the celebrity uses to achieve her hair's fullness and bounce. Local consumers may also desire the same soft drink as their team's best baseball player. Essentially, the testimonial of the local celebrity adds instant credibility to a small company's product. (Khatri, Puja (2006),

2.1.7. 2. Build Awareness

Celebrities in advertising build brand awareness, according to "Supermarket News," a publication covering the food distribution industry. And they build it much more quickly than traditional types of advertising. Brand awareness measures the percentage of people who are familiar with a particular brand. Small businesses spend lots of money and time for exposure to incrementally increase brand awareness among consumers. The use of a local celebrity can do much to enhance consumers' awareness and understanding of what a small business offers.

2.1.7. 3. Position a Brand

Some small companies use celebrities in advertising to position their brands. Product positioning is placing a company's products in the best possible light in the minds of a target group, according to Inc.com. For example, a small investment firm may use a well respected and retired local disc jockey to market a retirement plan for people ages 50 and over. The fact that the disc jockey falls in the

consumers' age group and has a good reputation in the community makes the company's product and message more believable. (Erdogan and Baker 2000)

2.1.7. 4. Attract new customers/Users

One challenge small company's face is finding new users for their products. Local celebrities in advertising appeal to customers as well as those who have never tried the brand. The latter may be users of competitive brands. However, those who continually see the local celebrity in a commercial for a certain product may be convinced to try the product.

2.1.7. 5. Breathe Life In to Failing Brand

According to Erdogan and Baker 2000, the use of a celebrity in an advertisement may also help to breathe life into a failing brand. For example, a small soap manufacturer might think about dropping a brand or product, especially if production and overhead costs are leaving little or no profit. However, the use of a celebrity to tout the benefits of the brand could help create new interest and excitement in consumers.

2.1.8. Potential disadvantages of Celebrity Advertising

Celebrity advertising is not free from risk, not only it is costly but various factors associated with celebrity are also being attached with product.

2.1. 8.1. Negative publicity

a negative publicity against the celebrity may harm brand image. Celebrity endorsers may now and then become a liability to the brand they endorse. It is believed that using celebrities can turn out to be an unnecessary risk, unless there appears to be a very logical relation between the endorser and the product. Negative information and publicity regarding the celebrity is one risk associated with the use of celebrity endorsers. International Journal of Scientific & Engineering Research, Volume 5, Issue 12, December-2014 39<http://www.ijser.org> strongly associated with the brand then the impact of the negative publicity will brim over to the product. (Till,1998). Many companies have been badly affected by the negative publicity accruing from the celebrity's misdeeds. One major problem with use of celebrity is advertising campaign is that those who choose to use celebrities have no control over the celebrity's future behavior. (Till & Shimp, 1998).

2.1. 8.2. Overexposure

Another very big drawback of celebrity advertising is Overexposure. A celebrity use to endorse so many brands that sometimes it becomes difficult to recall which celebrity has endorsed which particular brand. Overexposure is a common occurrence between highly recognized and well-liked endorsers and highly competing brands and leads to making the consumer confused and unable to recall correctly which brand the celebrity stands for. This not only compromises the value of the celebrity in the eyes of the star's fans but also brings to the customers notice the true nature of endorsements, which is more compensation, inclined and not so brand or product inclined. A general perception of consumers regarding overexposure is that they believe that celebrities use to endorse so many brands for money only.

Consumers even doubt that the celebrity rarely uses the product they actually endorse themselves. Among young people, the perceived credibility of celebrity endorsers has fallen drastically, with 64% believing that celebrities appeared in the ads only for money. "The product, not the celebrity, must be the star. "Researchers have found that use of celebrity makes the advertisement interesting for consumers to watch. Their presence attract the consumers to watch the advertisement but universal concern here is that consumers will fail to notice the brand being promoted because they are focusing their attention on the celebrity (Erdogan, 1999).

Celebrity Trap and Celebrity Credibility are two more shortcomings in using celebrity as endorser of the product. Celebrity trap is when the task to find substitutes becomes more and more difficult and thus celebrity becomes an addiction for the marketing team leading to surfeit of celebrities. Celebrity credibility refers to skepticism by the consumers regarding the celebrities, because of which brand is bound to be affected, especially when there is anything negative regarding the celebrity associated with the brand in the news. Thus, the real objective of promoting brand gets missed because of presence of the celebrity. In addition, some consumers have termed celebrities to be a 'puppet' used by companies implying that they perceive the celebrities to be lying, when endorsing certain products. (Temperley & Tangen, 2006).

2.1. 8.4. Celebrity endorsement & Corporate Image:

The corporate image has a significant effect on corporate credibility. Company representation

displays the exceptional and individual qualities of a corporate that dissimilar it from its competitors. Effective corporate image motivates attention among consumers, establish brand loyalty, and at last motivates to sales. Company image formed by a company's operations as well as by elements that have a straight or not straight force on consumer's estimation, such as labor council, media, industrial relationship, public organizations, and other recognition (*Temperley, J. and Tangen, D. 2006*).

The perception of the customer about the corporate image is build by their answer to a series of comprehensive physical and insubstantial relations with the company on an amount of levels . Physical aspects include products, brand name, interior, exterior, display material, and cyber message vehicles. Insubstantial factors include believe, trust, the impression of quality, trustworthiness, tradition, corporate recognition, staff experience, corporate and service customs. The corporate image also reflects the desires or opportunity of a different variety of shareholders, which directly or indirectly connected with the corporation .

For endorse, the brand hiring a well-known personality also help in improving the image for an imperfect corporation. Celebrity endorsers may also help in restoring or polishing a corporate identity (Erdogan, 1999).

2.1. 8.4. Financial risk

According to Walker et al. (1992), it is a big financial risk for companies to invest in celebrity endorsement. Till (1998) and Shimp (1997) argue that this makes it a huge financial risk since it is a two-sides coin. On one side companies must admit that do not have control over the actions of the celebrity (it can just as easily mean a disaster for the company) but on the other side a good celebrity choice can pay off handsomely.

The cost of hiring celebrities as endorsers may cost in some cases several millions of Euros/Dollars to endorse a single product. Reports that are more recent suggest, for instance, that each year David Beckham earns over \$40 million and Tiger Woods (before public scandals) was earning over \$110 million in endorsement incomes. At some point in the decision to use celebrity endorsers, advertisers have to consider the cost effectiveness of their choice. Rather than pursuing a popular endorser, advertisers can do well by looking for a less known, less expensive endorser who nicely matches the message of the brand and appeals to the target segment Till (1998) and Shimp (1997).

2.2. Theoretical framework/ Models on Celebrity Endorsement Strategy

Selecting the perfect celebrity to endorse a product or brand is not an easy task. Many researches have been done in order to help on the construction of a guideline model to select the endorser. Carl Hovland and his associates presented one of the earliest models in 1953, called the Source Credibility Model. Following this, three additional models were improved: the Source Attractiveness Model (McGuire 1985), the Product Match-Up Hypothesis (Forkan 1980, Kamins 1989) and the Meaning Transfer Model (McCracken 1989). To date, the models cited above, have been the basis and the backbone for explaining the effectiveness of celebrity endorsement, playing a pivotal role in developing our understanding about the topic.

2.2.1 Source Credibility Model

One of the most important reasons for using a celebrity as a spokesperson is to make the message more credible, an important benefit due to the fact that some advertising research suggests that about 70 percent of consumers think that advertising is often untruthful (Calfee and Ringold 1994; Erdogan 1999)).

Source credibility is defined as a “communicator's positive characteristics that subsequently influence the receiver’s evaluation of the message” (Hovland and Weiss 1951; Ohanian 1991; Erdogan 1999). An endorser, who has the key credibility source factors, is able to increase considerably the purchase intentions of the consumer (Liu *et al.*, 2007) and can influence their beliefs, opinions, attitudes and behaviors through a process called internalization. This occurs when receivers accept a source influence in terms of their personal attitudes and values structures (Erdogan 1999), that is to say, the receiver learns and accepts the idea of the credible spokesperson, since he supposes that the information provided represents an accurate position on the issue.

Using credible endorsers and their personal sources may be a way to bring higher levels of believability into an advertising message (Beltramini and Sirsi 1992; *Eisend, M. (2006)*). Once it has been shown that they are able to increase and influence consumers purchase intentions (Gotlieb and Sarel 1991; *Eisend, M. (2006)*) and even more persuasive when the consumer has not yet learned much about a product or formed an attitude about it.

Source credibility model contends that the effectiveness of a message depends on two factors: the perceived expertise and trustworthiness of the endorser (Dholakia and Stemthai 1977; Hovland, *et al.* 1953; Hovland and Weiss 1951; Ohanian 1991; Solomon 1996). Expertise refers to “the perceived level of knowledge, experience, or skills possessed by an endorser” (Hovland *et al.* 1953), being this way perceived to be a source of valid assertion (Roozen, 2008). Ohanian (1991) contends that the perceived expertise of a celebrity in the eyes of the consumers is more important in explaining purchase intentions and carries more persuasiveness rather than their attractiveness and trustworthiness.

Trustworthiness, according to Lord, K. and Putrevu, S (2009) and Ohanian (1990) is “the degree of confidence consumers place in a communicator’s intent to convey the assertions s/he considers most valid.” Erdogan *et al.* (2001) also define trustworthiness as "the honesty, integrity, and believability of an endorser. The effects of Celebrity Endorsement on Consumers Purchasing Intentions as perceived by the target audience." Advertisers invest on the trustworthiness endorser characteristic, selecting persons who are widely regarded as honest, believable and dependable (Shimp 1997; Erdogan *et al.* (2001). In terms of the effect of trustworthiness on attitude change, Miller and Baseheart (1969); conducted an experiment and found that when the perceived communicator's trustworthiness was high, attitude change was more likely to occur.

Friedman and Friedman (1979); Friedman, Santeramo and Traina (1978) found that trustworthiness had high correlation with the level of source's expertise, source's attractiveness and respondent's perceived similarity to the source. Desphande (1994) and Erdogan *et al.* (2001) have also confirmed this last point, arguing that endorser's ethnic status affect endorser trustworthiness and these interactions occur because people trust individuals who are similar to them. One managerial implication of their findings is that when targeting particular ethnic groups (e.g. Africans, Europeans, and Asians), ethnic background must be .

In addition to trustworthiness and expertise, the attractiveness of the communication source can enhance the effect of the message conveyed. Attractiveness is understood to depend upon whether the source is: classy, beautiful, elegant, sexy and attractive, (Ohanian 1990; Erdogan 1999). Thus, expertise, trustworthiness, and attractiveness are considered the components of source credibility. However, what is not as clear is which components are more important and how do they affect a

consumers' attitude, opinion change, and purchase intention? Ohanian (1990); Erdogan 1999), developed a tri-component measure of credibility to assess a celebrity endorser's perceived expertise, trustworthiness, and attractiveness. According to Pornpitakpan (2004); (Erdogan 1999), trustworthiness and expertise might have differential importance in affecting attitude formation and change and the three sources of credibility may independently contribute to source effectiveness.

Although being an important characteristic, source credibility is not the only factor that should be considered when selecting the celebrity endorser (Erdogan, 1999). Credibility alone cannot explain all the effects provided by the endorser, and the richness of their iconic qualities has not been adequately captured in this approach (McCracken, 1989). Having said this, it is reasonable to raise the question if being a celebrity increases credibility and for that question, the answer is no. The fact is that credibility, amongst other variables, increases willingness to buy, but the celebrity factor by itself does not. On the other hand, it does not mean that a celebrity cannot bring credibility to the product and if the celebrity is seen as trustworthy, similar, and credible, then that effect may be transferred to the willingness to buy (Zahaf and Anderson, 2008).

2.2.2 Source Attractiveness Model

It is for no coincidence that most advertisements use attractive people (Erdogan 1999), once consumers tend to form positive stereotypes about such people. In addition, research has proven that physically attractive communicators are more successful at changing beliefs (Baker and Churchill 1977; Chaiken 1979; Debevec and Keman 1984) and generating purchase intentions (Friedman *et al.* 1979; Petroschius and Crocker 1989; Petty and Cacioppo 1980) than their unattractive counterparts. Source attractiveness and its effectiveness are more related to physical attributes, such as similarity, familiarity and likeability, which are important factors in an initial judgment of another person (Ohanian, 1990; McGuire 1985). Belch and Belch (2001) define similarity as "a supposed resemblance between the source and the receiver of the message", mentioning that consumers are more easily influenced by a message coming from someone with whom they feel a sense of similarity. Familiarity is considered to be "the level of knowledge a celebrity possesses of a brand" (Belch and Belch, 2001) and likeability as "affection for the source as a result of the source's physical appearance and behaviors" (Erdogan 1999). In sum, if consumers perceive a celebrity endorser being

similar to them, familiar and they even also like that celebrity, consumers will tend to find the celebrity more attractive (Amos, Holmes and Strutton, 2008).

According to Cohen and Golden (1972); (Choi and Rifon, 2007), a communicator's physical attractiveness affects the effectiveness of persuasive communication through a process called identification, which occurs when a message coming from an attractive source is accepted as a result of desire to identify with such endorsers. This process is also related to the influence that celebrities exert over today's consumers, which can be explained by their role as referents. Celebrities have been elevated to that status because they possess distinctive qualities and their popularity and recognition motivates the public's acceptance or desire to pursue these celebrities' personalities, lifestyles, appearances, and behaviors. In this way, celebrities are deemed referents by consumers, which refer to actual or imaginary individuals, conceived of having significant relevance upon an individual's evaluations, aspirations, or behavior (Choi and Rifon, 2007).

However, attractiveness is not merely based on physical attributes - although that can be a very important feature - but includes other virtuous characteristics that receivers may perceive in endorser intellectual skills, personality properties or lifestyle characteristics (Erdogan 1999). Kahle and Homer (1985) on their research manipulated two factors: celebrity physical attractiveness and likeability and then measured attitude and purchase intentions on a single product - Edge razors. Findings showed that participants exposed to an attractive celebrity liked the product more than participants exposed to an unattractive celebrity did. In terms of recall for the brand, it was greater both in attractive and likeable celebrity conditions. Findings also indicated that an attractive celebrity created more purchase intentions than an unattractive celebrity did, but controversially an unlikeable celebrity produced more intentions to buy the product than a likeable celebrity did.

Baker and Churchill (1977), however, found that while attractiveness was effective in increasing positive advertisement evaluations, it was not effective in producing stronger purchase intentions. Caballero, *et al.* (1989) and Till and Busler (1998) studies keep the idea presented by Baker and Churchill, that positive feelings towards advertising and products is not necessarily transferred into a behavior or purchase intention. A possible reason for the lack of celebrity endorsers' effect on intentions to purchase is that celebrity endorsement seems to work on the cognitive and affective

components of attitudes rather than in the behavioral components (Baker and Churchill, 1977; Fire worker and Friedman, 1977).

Summarizing the effect of source attractiveness, one can say that it is used to create effective messages, where the attribute attractiveness refers to the endorser's physical appearance, personality, likeability and similarity (Ohanian, 1990; Baker and Churchill, 1977). It is demonstrated that attractive celebrity endorsers enhance attitudes towards advertising and brands, but what is not proved yet is whether they are or not able to create purchase intentions. Within the broader context of celebrity endorsement, endorser attractiveness is certainly a relevant construct. However, the nature and scope of the attractiveness construct remains uncertain, and therefore appears worthy of additional attention.

2.2.3 The Match-up Hypothesis

Previous research already found that the effectiveness of endorsement might vary from one product to other (Friedman, 1979; Atkin and Block 1983), existing some endorsers who fit better with a specific product than do others. This idea of a fit between an endorser and the product became formalized as the match-up hypothesis Roozen, I. (2008),

The match-up hypothesis suggests that messages conveyed by celebrity image and the product message should match for effective communication (Erdogan 1999). In other words, a message to be effective depends on the existence of a link and a fit between the endorsing celebrity and the endorsed brand (Till and Busler 1998). Furthermore, advertisers must match three elements: the product/brand image, the personality of the celebrity and the target audience, so it can be established that effective message. Friedman and Friedman (1979) concluded that the better the fit between the celebrity and the endorsed brand, as perceived by consumers, the higher is the level of endorsement effectiveness. Attractiveness has been used as the main factor to explain the match-up theory (Kahle and Homer, 1985; Kamins, 1990). When a celebrity is physical attractiveness is congruent with the advertised product, the match-up hypothesis would be partially confirmed and should translate a positive impact upon the product and advertisement evaluations (Kahle andHomer, 1985).

This is the reason why attractive celebrities endorse many personal care products (Garcia, 2009).However, the match-up factors are not congruent over all the researches. Till and Busler (1998,

2000) have examined attractiveness versus expertise as a relevant match-up factor and found a general attractiveness effect on brand attitude and purchasing intentions but no match-up effect was found based on attractiveness, suggesting that expertise is more appropriate for matching products with celebrity endorsers. If there is no congruency between the brand and the celebrity, then the audience remembers

the celebrity and not the product (Byrne *et al.*, 2003), occurring the so called “vampire effect”, where the celebrity sucks the life-blood of the product, drying it (Evans, 1988). In addition, if the audience perceives that absence of connection, consumers may believe that the celebrity has been handsomely paid to endorse the product or service (Erdogan, 1999) and the meaning of the message that is transferred to the consumer may not be effective (Huston, Ouyille and Willis 2002).

Till and Busler, (1998) explained that even though Michael Jordan is an attractive endorser, his effectiveness as a celebrity endorser is higher when endorsing products related to his athletic field such as Gatorade or Nike, rather than products that are unrelated to his athletic performance such as WorldCom Communications. Other example is the golf player Tiger Woods, although being recognized as an attractive source, even if he endorsed basketball shoes, his attractiveness would not be expected to enhance the value of the shoes and generate purchasing intentions. Although the Match-up Hypothesis recovers some of the pitfalls of source effectiveness model, where it was argued that any celebrity who is attractive, credible and/or likeable could sell any product, it still disregards impacts of a celebrity endorser's cultural meanings in endorsements (Erdogan, 1999).

2.2.4 Meaning Transfer Model

McCracken (1989) suggests that a matchup of attractiveness or expertise alone is not enough to achieve successful endorsements. Erdogan (1999) also argues that either the source credibility or attractiveness, not even the match-up theory is adequate in providing appraisal technique for selecting the appropriate endorser. Furthermore, the author takes the view that “for the source model’s purpose, as long as the credibility and attractiveness conditions are satisfied, any celebrity should serve as a persuasive source for any advertising message.”

Moreover, McCracken (1989) indicates that the models make assertions only about the credibility and attractiveness of the message sender and do not study the endorser’s role as a message medium. Thus,

a new model is purposed - meaning transfer model – and it addresses the endorsement process from a cultural perspective, proposing that celebrity endorsers are special cases of meaning transfer: The effectiveness of the endorser depends, in part, upon the meanings that he or she brings to the endorsement process (McCracken, 1989). He explains that numerous cultural meanings exist in the world and that celebrities due to the roles they assume in their careers are constantly developing their own images, which are accumulations of meanings, making them unique and allowing them to transfer those images to the products they endorse.

Consumers might view some of the meanings the celebrities represent to be relevant to their ideal self-image, emulate their styles/behaviors, purchasing those brands endorsed by the celebrities, hoping that they become similar to them. As Atkin and Bock (2009) have shown, consumers have a preconceived image of a celebrity, and this image can be transferred to the brand. From this point of view, celebrity's images play a pivotal role in the endorsement process. McCracken's model, showing that there is a conventional path for the movement of cultural meaning in consumer societies. This process involves three stages:

1. The formation of celebrity's image
2. Transfer of meaning from celebrity to product
3. Transfer of meaning from product to consumers

In stage 1, practitioners have access to a special category of individuals – celebrities - charged with detailed and powerful meanings drawn from their public persona. As stated before, celebrities have particular configurations of meanings that are drawn from the roles they assume in their careers.

In stage 2, the first step is to identify the symbolic properties sought for the product and then choose a celebrity who matches the proper symbolic properties and suggest essential similarity between the celebrity and the product. Once a celebrity is chosen, an advertising campaign must identify and deliver these meanings to the product. It is the moment where the product gains a personality during the transfer of celebrity's meanings. In stage 3, the meanings are transferred from the product to the consumer where the properties of the product become the properties of the consumer, thereby rendering the process of transfer of the meaning from the celebrity to the consumer complete (McCracken, 1989).

This model suggests that companies must deeply investigate the real meanings that are desirable for their product and later on search for the right celebrity, so they can not only guarantee the fit between product and celebrity, but also assure the effectiveness of the advertisement (Garcia, 2009).

Garcia, 2009;LangMeyer and Walker (1991) tested this model and their results showed that the symbolic meanings possessed by celebrities such as Cher and Madonna were transferred to the endorsed products, Scandinavian Health Spa and bath towels, respectively (Erdogan, Baker, and Tagg 2001).

These models all united with all understandings and evidences can form a strong basis for the creation of the celebrity endorsement concept.

2.2.5. Factors affecting celebrity endorsements/advertising effectiveness.

2.2.5.1. Celebrity Endorsement & Consumer Purchase Intention:

Purchasing intentions refers to the predisposition to buy a certain brand or product (Belch *et al.*, 2004). Purchasing intentions also indicates how likely it is that the individual would buy a product (Phelps and Hoy, 1996). Many previous studies have used it as a dependent variable (Goldsmith *et al.*, 2000; Yi, 1990; Saliagas, and William, 1987; Machleit and Wilson, 1988).

According to Kotler (2000) and (McCraken,1989), consumer behavior occurs when consumers are stimulated by external factors and come to a purchasing decision based on their personal characteristics and also on decision-making process. These factors included choosing a product, brand, a retailer, timing, and quantity. Consumers purchasing intentions always arise after consumer perceived value and perceived benefit, that is to say, comes from consumers perception on benefits and values acquisition, and it is an important key to predict consumers purchasing behavior.

Atkin and Bock (2009); Monroe and Krishnan (1985) submitted that perceived value and perceived quality will influence purchasing intentions, and the more perceived value and perceived quality, the higher purchasing intention is. A consumer's attitude and assessment of external factors builds up the consumer purchasing intention, and it is a critical factor to predict consumer behavior (Garcia, 2009); Fishbein and Ajzen, 1975). Purchasing intentions can measure the possibility of a consumer to buy a product, and the higher it is, the higher a consumer's willingness to buy a product is (McCraken, 1989); Dodds, *et al.*, 1991; Schiffman and Kanuk, 2000). Purchasing intentions indicates that

consumers will follow their experience, preference and external environment to collect information, evaluate alternatives, and make decisions (Bock (2009; Zeithaml, 1988; Dodds *et al.*, 1991; Schiffman and Kanuk, 2000; Yang, 2009).

People comparatively purchase those products which are familiar with and those products with good brand image, because a good brand image can make you feel at ease and reliable. Laroche *et al.* (1996); Bock (2009); concluded that the higher consumers' familiarity degree with the product is, the better is the confidence and attitude to the products and thus the purchasing intention will be higher. Wang (2006) used brand image as independent variable, product category as moderator, and purchase intention as dependent variable and found that the higher the brand image is, the higher the purchase intention is. Atkin and Bock (2009) ; Fournier (1998) discovered that if a brand provides product functions that meet consumers' need, consumers will produce psychological associations and an irreplaceable relation with the brand, which they will subjectively, maintain interaction with the brand and raise their purchase intention accordingly.

Tendency to buy a particular brand or product or service is known as purchasing intentions (Belch et al, 2004); and Atkin and Bock (2009). Consumer's concern and anticipation in purchasing a product were the factors that can be used in the measurement of purchase intention. Like, customer's interest, attending, information and evaluation were the most concerned variables that decide the purchase

Items to measure customer purchase intention/decision

- Customers' likeness to purchase the celebrity advertised product.(Syed Rameez ul Hassana, Raja Ahmed Jamila 2014)
- Customers interest to try to purchase the celebrity advertised product when thy see in store. (Syed Rameez ul Hassana, Raja Ahmed Jamila 2014)
- Customers actively seek out celebrity advertised product in a store. (Syed Rameez ul Hassana, Raja Ahmed Jamila 2014)
- Encouragement of celebrity presence in advertisement to buy the product. (Syed Rameez ul Hassana, Raja Ahmed Jamila 2014)

Besides this, external components easily affects the customer's purchase intention in their decision making process. For example, they can easily influenced by word of mouth and word of mouse communication while searching information. And their purchase intention can be influenced by products /service features, price and endorsers enactment perceived by customers during purchase process.

As, via promotion tactics the customer's purchase intentions stimulation can easily prompted, so their action in the direction of product ,brand or service which has been prompted can easily influenced by the fame and appearance of celebrity.

As Garcia, (2009); Ajzen and Fishbein (1980, p.5) put it "Human beings are usually quite rational and make systematic use of the information available to them. People consider the implications of their actions before they decide to engage or not to engage in a given behavior" Celebrity endorsement has a huge impact on purchase decision/choice.

2.2.5.2. Physical attractiveness

"Beauty is a greater recommendation than any letter of Introduction" Aristotle. Patzer (1985) and Kahle, Lynn. And Homer, Pamela. (1985), stated that, "Physical attractiveness is an informal cue involves effects that are subtle, pervasive and in escapable" He supported the idea of using attractive celebrities in Ads than average looking celebrities. He said consumers endeavor to boost their appeal and charm and respond certainly to the celebrities who resemble them (Erdogen, 1999).

According to Patzer (1985), "Physical attractiveness is an informational idea which involves effects that are indirect, prevalent and certain; produces a definite pattern of valid differences; and best culture in its effects". According to Ohanian (1991) and Erdogen, 1999) "Beauty is a greater judgment than any recommendation". Celebrity endorser's Physical attractiveness got great general opinion and respectability. It is a source to taking attention of audience in both electronic media and print; Physical attractiveness has specific effect on consumer's behavior toward the product and service with the person who is unattractive (Ohanian, 1991; Erdogen, 1999). Attractiveness is a degree that provokes the attention of many people. It is just not restricted to the size of the body but it consists of all of physical characteristics. Most television and print ads use physically attractive people because many studies have shown that consumers tend to form positive stereotypes about such

people. Studies have shown that attractive people are more successful in changing beliefs than their unattractive counter parts.

In an exhaustive review by Joseph (1982), he summarized the experimental evidence in advertising and related disciplines regarding physically attractive communicator's impact on opinion change, product evaluations, and other dependent measures.

Attractive communicators are consistently liked more and have a positive impact on products with which they are associated. Physical attractiveness' of an endorser determines the effectiveness of persuasive communication through a process called identification, which is assumed to occur when information from an attractive source is accepted because of desire to identify with such endorsers.

The study of many researchers demonstrates that exterior and physical beauty is an important factor which helps in determining the effectiveness of the endorser (Baker, Churchill et al, 1977; Joseph 1982; Kahle and Hamer, 1985; Winham & Hampl, 2008). But contrary to this Bower and Landerth (2001) explains that the endorsers which are more attractive are not that much good for advertising. Attractiveness has many ranks that could not determine easily, it's difficult to define attractiveness through one aspect (Cabalero & Solomon, 1984).

Items to measure celebrity's physical attractiveness

- Attractiveness (Syed Rameez ul Hassana, Raja Ahmed Jamila 2014)
- Beauty (Syed Rameez ul Hassana, Raja Ahmed Jamila 2014)
- Classy (Syed Rameez ul Hassana, Raja Ahmed Jamila 2014)
- Sexy (Syed Rameez ul Hassana, Raja Ahmed Jamila 2014)

The attractiveness and outer look is not the only factor that counts but the non-physical attributes also matters in the effectiveness of endorser like achievements in sports, insight and intelligent (Kamins, 1990; Sliburyte, 2009) relating to the cultural group of customer (Deshponde` & Stayman, 1994). When we see the physical attractiveness of the endorsers in our country ads. is usual .

2.2.5.3. Credibility:

Source credibility is defined as; “Communicator’s positive characteristics that subsequently influence the receiver’s evaluation of the message” Eisend, M., (2006), Hovland and Weiss, 1951, Ohanion, 1991). According to Ohanion (1990): Source credibility is the degree to which the receiver would believe the source has certain degree of relevant knowledge or expertise and they choose to believe the information offered by the source”.

Source credibility is "a term commonly used to imply a communicator's positive characteristics that affect the receiver's acceptance of a message. Source credibility theory is an established theory that explains how communication's persuasiveness is affected by the perceived credibility of the source of the communication. The credibility of all communication, regardless of format, has been found to be heavily influenced by the perceived credibility of the source of that communication.

The audience can perceive these attributes through certain behaviors in which the speaker delivers results, is concise and direct with the audience members. If a speaker displays characteristics of honesty, integrity, sincerity, and can show that they are trustworthy and ethical, the audience will be more inclined to believe the message being communicated to them, even if they do not remember every aspect of the interaction. They will, however, recall how the presenter made them feel, how they took in the information and what they may share with others once the presentation has concluded.

Term expertise is defined as “the extent to which a communicator is perceived to be a source of valid assertions” Eisend, M., (2006), Hovland et al., 1953). In order to persuade recipients of information endorser’s expertise has encouraging effect on receivers Eisend, M., (2006), Ohanian, 1990). Belch and Belch (1994) said that information receivers have strong belief upon the person who is practical having related knowledge, expertise in advocating area.

This variable has two sides: trustworthiness and expertise. The source credibility variable contends that the effectiveness of a message depends on the perceived level of expertise and trustworthiness of an endorser. Trustworthiness refers to the honesty, integrity, and believability of an endorser as perceived by the consumer. Consumer has generally a consideration that celebrities are trustworthy source of communicating information (Goldsmith et al., 2000). It is general principle a person you

trust upon is a source to easily convince you to believe in unseen thing, that person is more believable than any other community. Endorser with high knowledge and skills has strong power of recommendation as compare to the endorsers with low expertise. Celebrity expertise is one of the reasons in order to find out its influence on recipients of information (Amos, Holmes and Strutton, 2008). If the celebrity advocating the product has strong knowledge and experience, then he/she will ultimately have differential power to pursue customers purchase intention due to strong believability.

In an advertisement source, credibility simply reflects the endorser's credibility (Aronson, Turner and Carlsmith, 1963). Credibility is taken as a significant element that can affect customer is buying behavior and their approach towards advertising Eisend, M., (2006), Lutz, Mackenzie and Belch, 1983.

Endorser's credibility is the most commonly used technique in marketing to influence customer-buying behavior (Lafferty & Goldsmith, 1999). Expertise can be defined as; "The extent to which the endorser is perceived to be knowledgeable, skillful and experienced.

Expert endorser gives the benefits like increasing brand remembrance and good impact on consumer's buying behavior (Erdogen, 1999). According to Zhang et al, (2011) the word 'fit' has a close relation with the word expertise as the sportsperson can proved to be more successful for the brand associated to the enactment of a sportsperson in a particular game. According to Ohanian (1991) the expertise observed in a celebrity is more convincing than attractiveness & trustworthiness in order to enhance purchase intentions. Expert celebrity endorsers usually proved to be more convincing (Aaker and Myers, 1987) and can easily persuade the customer buying intention (Ohanian, 1991).

If these characteristics are readily available in an endorser, there is greater chance to be hired by the marketers (Shimp, 2007). In the ratings of credibility, trustworthiness is most worthy in the eyes of customer because it's the non-physical trait that operates due to trust (Moynihan, 2004). The significant elements of the trustworthiness are reliability, dependable, honesty, sincere & trustworthy.

Items to measure source credibility,

- honesty of celebrity (Syed Rameez ul Hassana, Raja Ahmed Jamila 2014)
- reliable of celebrities (Syed Rameez ul Hassana, Raja Ahmed Jamila 2014)

- trustworthiness of celebrities (Syed Rameez ul Hassana, Raja Ahmed Jamila 2014)
- expertise of celebrities (Syed Rameez ul Hassana, Raja Ahmed Jamila 2014)
- experience of celebrities (Syed Rameez ul Hassana, Raja Ahmed Jamila 2014)
- Knowledge of celebrity (Syed Rameez ul Hassana, Raja Ahmed Jamila 2014)
- Quality of celebrities (Syed Rameez ul Hassana, Raja Ahmed Jamila 2014)

A celebrity who possesses all the main factors of credibility source could significantly enhance the buying behavior of customer. Companies could take benefit of highly credible celebrity that is the result of high repute, fame, high public image & trustworthiness (Shimp, 2007, Song, Chaipoo piratana et al, 2008). According to expertise, most of ours celebrities are not based on expertise rather they are through experience and other criteria.

2.2.5.4. Multiple celebrity endorsements:

We can categorized celebrity endorsement based on number of products endorsed (single vs multiple products) and the number of celebrities (single vs. multiple celebrities). If a celebrity endorsed only one product or brand then it is called single product endorsement. Subsequently, it is an exceptional case if celebrity endorsed a single product or brand usually celebrities prefer to endorse more than one product or brand (Nam-Hyun Um, 2008). Hsu and McDonald (2002); Nam-Hyun Um, (2008). defined multiple celebrity endorsement as; “The use of two or more celebrities in an advertising campaign "He categorized multiple celerity endorsement, on the basis of how celebrities are presented in an advertisement, into two portions.

In the first setup, for endorsement of a product two or more celebrities featured in an Advertisement. While in second scenario, the endorsement of the same product done by featuring different celebrities in a series of the advertisement. In the industry of Marketing and advertisement, endorsing multiple celebrities is not a new sensation for advertisers. Some big brands like Nike, Adidas and American express are using this strategy. Another significant example is Milk Mustache Campaign that featured almost 100 celebrities to promote milk since 1995 (Hsu and McDonald, 2002).

According to Hsu & McDonald (2002) p.25, and Nam-Hyun Um, (2008 “Multiple celebrity

endorsement advertising may help the advertiser to build a sense of consensus, avoid audience boredom and appeal to multiple audiences”. Erdogan and Baker (1999) claimed in their study that in order to endorse a particular brand, using multiple celebrities is most effective technique for the advertisers. Because by doing this they can influence and attract the whole target market.

Although, featuring multiple celebrities in an Ad can also cause misperception regarding brand’s uniqueness in customer’s perception and hence it should be guaranteed that:“Each and every celebrity possesses compatible meanings that are sought for brands” (Erdogan and Baker, 1999 p.13). If various celebrities are present in an advertisement, they complement each other in the process of meaning transmission to a product or brand (Sliburyte.L, 2009) ; Saleem, (2007)

Customer has a positive influence on behavior for the advertisement, behavior for brand and buying intentions when multiple celebrities are used in a campaign (Saleem, 2007).

Items to measure multiple celebrities,

- The presence of more than one celebrity in an advertisement makes it persuasive.
- The presence of more than one celebrity in an advertisement makes it convincing.
- More than one celebrity in a single advertisement makes it appealing.
- More than one celebrity in a single advertisement makes it dynamic. Tripp, et al. (1994); Hsu and McDonald (2002).

In our case, most of the ads. Controlled by small celebrities like Serawit Fekrie and Mulualem Tadesse . Therefore, multiple celebrity was not common in our country. even banks use one celebrity for one bank ads .is common, like Alemayehu Tadesse for commercial bank of Ethiopia, Wubshet Workalemahu, for Bank of Abyssinia, Fekadu Tekelemariam and Meseret Mebratie for Buna international bank.etc.

2.2.6. Consumer decision-making process

Erdogan, j. c., s.w. brown and m. schulman 1979 ; Engel, Blackwell and Miniard (1995) suggest that the most recognized consumer purchase decision-making model can be divided into five stages: (1) problem recognition, (2) information search, (3) alternative evaluation, (4) purchase decision, and (5) post-purchase behavior. The five steps shown in the previous figure represent a general process that

moves the consumer from recognition of a product/service need to the evaluation of a purchase. However, it does not assume that all consumers' decisions will proceed in order through all of the steps (Lamb *et al.*, 2004). Each of these steps was discussed in more detail.

2.2.6.1. Need (Problem) Recognition

The buying process starts when the consumer recognizes a problem or a need. The need can be triggered by internal or external stimuli. Marketers need to identify the circumstances that trigger a particular need. By gathering information from a number of consumers, marketers can identify the most frequent stimuli that spark an interest in a product category and then can develop marketing strategies that trigger consumer interest.

2.2.6.2. Information Search

After the need is identified, the consumer goes through a process to search for solutions that will fulfill that need. This search may be done internally, scanning one's memory to recall previous experiences with products or externally, when experience is insufficient and when the risk of making a wrong purchase decision is high. The main external sources are personal sources such as friends and family and then public sources, such as specialists.

2.2.6.3. Evaluation of Alternatives

Once consumers have all the necessary information about the possible alternatives, they have to evaluate them in order to make a purchase (Boyd and Walker 1990; Kotler 2000; Lamb *et al.*, 2004 and Murray and O'Driscoll 1996). Information will lead to an evoked set (familiar brands) of alternative products from which a choice will then have to be made (Li, 2004). Boyd and Walker (1990) point out those consumers have three ways to evaluate potential alternatives, namely by:

1. Focusing on a list of familiar brands (evoked set) rather than all possible brands;
2. Evaluating each brand in the evoked set on a narrow number of product dimensions or attributes; and
3. Combining evaluation of each brand across attributes and comparing those attributes.

Lamb *et al.*, (2004) Boyd, T. and Shank, M. (2004), suggest consumers may select a product attribute to exclude all products that do not have the desired specific attribute in order to narrow down the number of brands in the evoked set. An important determinant of the extent of evaluation is whether

the customer feels involved with the product. Involvement means the degree of perceived relevance and personal importance that accompanies the choice. When a purchase is highly involving, the customer is likely to carry out extensive evaluation.

2.2.6.4. Purchase

Kotler (2000), Du Plessis *et al.*, (1994); and Boyd, T. and Shank, M. (2004), point out that consumer would select the most significant information, whether it is internal, external, weigh the benefits of each item and the effects of Celebrity make a decision to either purchase the particular product or not buy the specific product, postpone the purchase or even not purchase at all. Many factors influence the purchase decision. These include the cost of the product compared to how much money the consumer can afford to spend, the opinions of family or friends, and the sales and services policies of the marketer. Some customers may wish to try a product before making a major purchase.

2.2.6.5. Post-Purchase Behavior

In this final stage and after customers make buying decisions, they often continue to evaluate the purchase, comparing it with his initial expectations and there are three possible outcomes of these evaluations Boyd, T. and Shank, M. (2004), (Li, 2004):

1. Perceived performance meeting expectations, leading to a neutral feeling;
2. Perceived performance exceeding expectations, causing what is known as positive disconfirmation of expectations and satisfaction (this experience may lead to consumer repeat purchase); and
3. Perceived performance being lower than expectations, causing negative disconfirmation of expectations and disappointment. Consumers tend to judge their feelings against their expectations when performing a post purchase evaluation (Kotler 2000; Sheth and Mittal 2004). A satisfactory experience may lead to a repeat purchase while a disappointment may cause a purchase postponement.

2.3. Empirical literature review

In Kolhapur (2016) study on Celebrity Endorsement of Cosmetics, he suggested that Celebrity endorsed advertisement are more attractive than non-celebrity endorsed advertisement. In the study both male and female, prefer to purchase cosmetics endorsed by celebrities. It also reveals that

preference of consumers for the cosmetics endorsed by celebrities is influenced by trustworthiness, sense of similarity between customer and celebrity, familiarity, likability, relevance of celebrity to the product. So advertisers are required to consider those celebrities for their product endorsement who are trustworthy, liked by consumers, familiar, and have relevance with product.

Zahaf, M. and Anderson, J., (2008), study on impact of celebrity advertisement on customers brand perception and purchase intention he suggested that celebrity endorsement has reasonable impact on customers as per their attitude and purchase intention. Celebrity endorsement has come out as not only an influential factor but rather a causal factor in the results of his paper. Physical attractiveness, credibility and multiple celebrity endorsement with reference to the endorsed advertisement all have impact on the customer's choice and purchase intention about the advertised product/ service.

The tests have largely bore favorable significant results in the light of variables used. Thus, celebrity endorsements do result in sales raise. He also discovers that Celebrities are worshipped as icons now. If the customer perceives the physical attractiveness, credibility and the multiple celebrity endorsement to be favorable, they inertly being influenced to like that product which leads to the purchase of that product.

Kahle & Homer (1985); and Friedman et. al.(1976). Conducted a study using celebrities that measured their physical attractiveness, their likeability, and their involvement in the products (Edge razors) they were endorsing, and then measured attitude and purchase intentions. Their results correspond with the previous studies showing that the more likeable and attractive the celebrity the more favorable attitudes consumers had toward the ad and the product; it also showed consumers had greater purchase intentions for that product. Ohanian (1991) performed a study that calculated the physical attractiveness, expertise, and trustworthiness of a celebrity on a respondent's intent to purchase. Ohanian found that the type of celebrity used can affect consumer's attitudes toward the ad and toward the product, as well as consumers purchase intentions for the endorsed product.

Friedman, Termini and Washington (1976) studied four types of endorsers: the celebrity, the typical consumer, the professional expert, and the company president. The study compared ads with endorsers to an ad with no endorser to see which was more effective in an advertisement. The product they used was a fictitious type of wine. They found that any endorser, no matter what type, brought

higher taste expectations, intent-to-purchase and believability than the ad with no endorser (Friedman et. al., 1976).

All studies which are mentioned in the above empirical literature review are conducted on different foreign countries with regard to celebrity endorsed advertisement and its effect on purchase intention/customer choice . But in Ethiopian context there is no enough study conducted on impact of celebrity advertisement on customer purchase intention using the variables (celebrity attributes) of physical attractiveness, Source credibility and multiple celebrity endorsement. This study will fill this gap.

2.4. Conceptual framework

The key purpose of this research is to find out the impact of celebrity endorsement on consumer purchasing intension/consumer choice. In this research, the study is conducted to investigate the relationship between independent variables as related to dependent variable of the study. On the left hand side, there are present all the independent variables including physical attractiveness, credibility, and multiple celebrity endorsement. While on the right hand side the only single dependent variable ‘consumer purchase intentions/consumer choice’ is present.

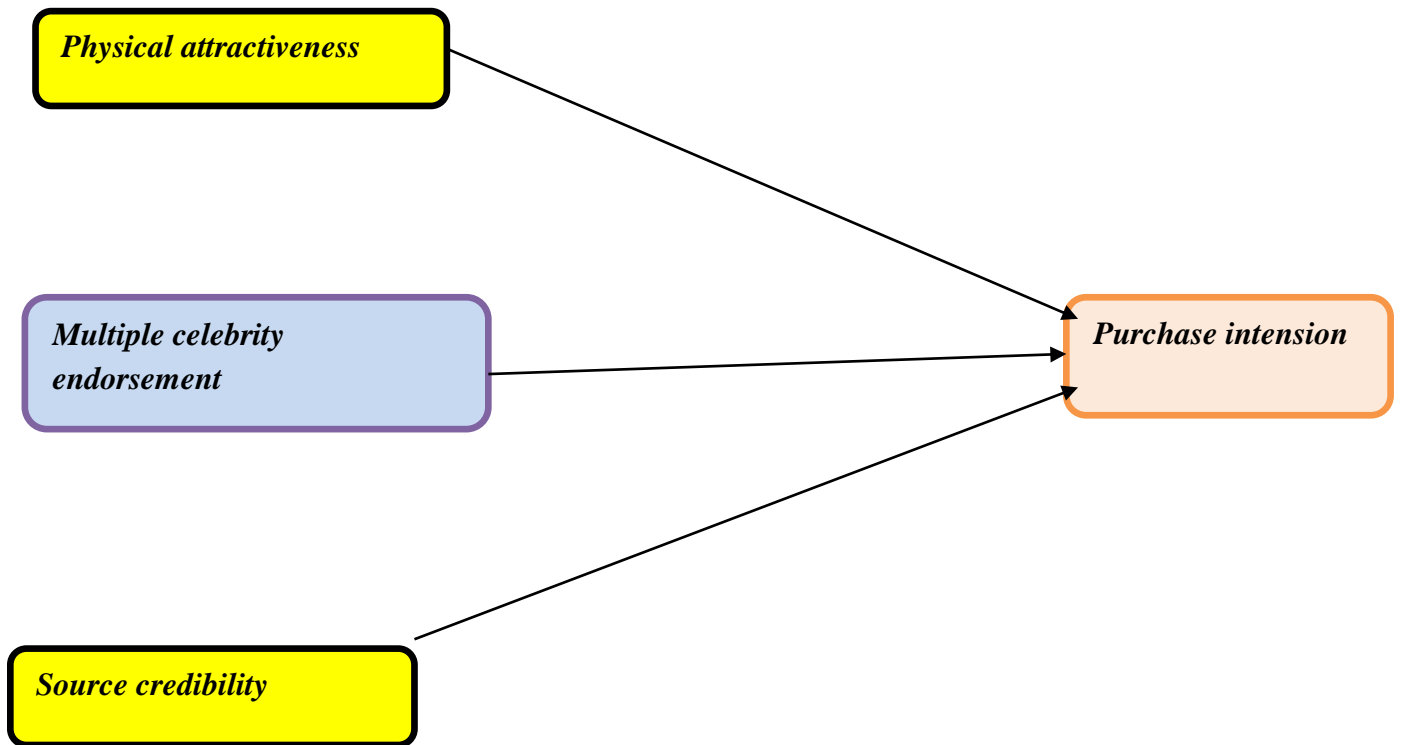


Figure 1 Chen, Shih-Mei.and Huddleston, Patricia. (2009)

2.5. The Literature gap

As per the researcher's knowledge, there seems no comprehensive study on effect of celebrity advertisement on customer purchase intension in bahir Dar, Ethiopia. Thus, this gap lead the researcher to conduct a research and a need to study on effect of celebrity advertisement on customer purchase intension of customers of commercial bank of Ethiopia located in bahir Dar and the present study try to narrow the knowledge gap by providing new insights about celebrity advertisement by bank and used as empirical literature review .

CHAPTER THREE

RESEARCH METHODOLOGY

3.1. Introduction

Designing appropriate research methodology is a prerequisite in order to conduct a good research work. The methodology used in conducting this study indicates the research design; target population, sampling design and procedures; research instruments for data collection as well as data processing and analysis techniques was used.

3.2. Positivism Paradigm

Quantitative purists (positivist): Believe that social observations should be treated as entities in much the same way that physical scientists treat physical phenomena. Contend that the observer is separate from the entities that are subject to observation. Maintain the social science inquiry should be objective and the time and context- free generalization are desirable and possible, and Real cause of social scientific out come can be determined reliably and validly. Therefore, for the present study positivism paradigm was preferable and applied. Mr. Nagendra Bahadur Amatya Institute of engineering, Pulchowk campus, Nepal E-mail: nbamtya@ioe.edu.np

3.3. Research Approach

According to Dawson (2002), there are three types of research design: quantitative, qualitative and mixed method. Mixed methods research is an approach that combines or associates both quantitative and qualitative forms. Depending on aspects like timing, weighting, mixing and theorizing mixed method lead writers to develop procedures like sequential, Concurrent and transformative procedure are stated in the work of Creswell (2009, pp. 206).

The study rely on purely quantitative data from customers of Commercial Bank of Ethiopia, located in B/Dar to measure the effect of celebrity advertisement on customers' purchase decision/ intention. Quantitative data was presented and analyzed through SPSS soft ware version 20. Therefore, the study was, apply quantitative research approach.

3.4. Research Design

Research design is the blueprint for fulfilling research objectives and answering research questions *John, T., and Shiang, L., (2010.)*. In other words, it is a master plan specifying the methods and procedures for collecting and analyzing the needed information. It ensures that the study will be relevant to the problem and that it uses economical procedures.

In this research paper, the researcher had used explanatory research design, which explains the nature of certain relationships, or establishes the differences among groups or the independence of two or more factors in a situation. In addition, an attempt to connect ideas to understand cause and effect and how things come together and interact.

3.5. Target Population

The target population is the population of individuals, which are interested in describing and making statistical inferences about target population Kelley, h. h. (1973) Henlal and Jentoft, (2011). The target population for this study was comprised of all customers of commercial bank of Ethiopia, located in B/Dar city. For the purpose of the present study, the population is un known.

3.6. Sampling Technique

Sampling as being the process from which the researcher obtains information from a subset of a larger group. The researcher then takes the results from the sample and makes estimates of the characteristics of the larger group. The motivation for sampling is to be able to make these estimates more quickly and at a lower cost than would be possible by any other means.

Sampling is the statistical process of selecting a subset (called a “sample”) of population of interest for purposes of making observations and statistical inferences about that population. Social science research is generally about inferring patterns of behaviors within specific populations.

The population of the research would all customers of Commercial bank of Ethiopia located in B/Dar city there specific number is un known. And based on the formula for unknown population, the questioner ware distribute for 384 samples by using Convenience Sampling technique. This sampling technique was selected because, Convenience sampling was preferable when the target population were customer, means that the sampling units were accessible, convenient and easy to measure, cooperative, or articulate.

3.7. Sample size determination method

It is difficult to study the entire populations due to feasibility and cost constraints, and hence, it must be select a representative sample from the population of interest for observation and analysis. It is extremely important to choose a sample that is truly representative of the population. So that the inferences derived from the sample can be generalized back to the population of interest.

To determine the sample size for unknown population, the following formula was applied. based on 95% confidence interval and 5% error term, is recommended by scholars malious and miche (1976) thus:

$$n_0 = \frac{z^2 p (1-p)}{e^2}$$
$$n_0 = \frac{1.96^2 0.5 (1-0.5)}{0.05^2}$$

Where; 'z' is 1.96. Since the value of 'z' is dependent on tolerable error.

Therefore, the sample size of the study was 384.

3.7. Types and Sources of Data and Methods of Data Collection

3.7.1 Types and Sources of Data

The type of data used in this study was primary and secondary data. Primary data were collected through questionnaires from customers of commercial bank of Ethiopia in Bahir Dar. The secondary data was from journal, articles, books, etc.

3.8.2 Data Collection Tool

The target population for this research was customers of Commercial Bank of Ethiopia in Bahir Dar city. Survey Questionnaire was designed to meet the requirements of the research. The layout of the questionnaire was kept very simple to encourage meaningful participation by the respondents. The questions were kept as concise as possible with care taken to the actual wording and phrasing of the

questions. The reason for the appearance and layout of the questionnaire were a great importance in any survey where the questionnaire is to be completed by the respondent (John et al., 2007). For this study, the standardized questionnaire from previous study was adapted and improved in the pre-data collection stage.

3.9. Validity and Reliability

The Validity and Reliability was measure using Cronbach's alpha coefficient of reliability. In order to ensure the quality of the research design, content and construct validity of the study was checked. The content validity was be verified by peers, experts, pre-test and the advisor of this research, those are looking into the appropriateness of questions and the scales of measurement.

3.9.1. Cronbach's alpha coefficient of reliability

Reliability is defined as "the extent to which a scale produces consistent results if repeated measurements are made" (Malhotra and Birks, 2000, p.305), which is named by Lee Cronbach in 1951, as he had intended to continue with further coefficients. In most situations, 0.70 or greater is appropriate for exploratory studies for some indices. By tracing this literature, the researcher tested the reliability of the items, which were developed for respondents. Reliability can be equated with the stability, consistency, or dependability of a measuring tool.

Cronbach's alpha is one of the most commonly accepted measures of reliability. It measures the internal consistency of the items in a scale. It indicates that the extent to which the items in a questionnaire are related to each other. It also indicates that whether a scale is one dimensional or multidimensional.

The normal range of Cronbach's coefficient alpha value ranges between 0-1 and the higher values reflects a higher degree of internal consistency.

Different authors accept different values of this test in order to achieve internal reliability, but the most commonly accepted value is 0.70 as it should be equal to or higher than to reach internal reliability (Hair et al., 2003).

Table 3. 1 Reliability statistics

Variables	Number of item	Cronbach's Alpha
Physical attractiveness	4	.723
Source credibility	5	.714
Multiple celebrity	3	.704
Purchase intention	3	.702
Total	15	.762

Source: SPSS out put (2018)

The Cronbach's coefficient alpha was calculated for each field of the questionnaire. Therefore, table 3.1. showed the values of Cronbach's Alpha for each field of the questionnaire and the total questionnaire. From the fields, values of Cronbach's Alpha ranged from 0.702 to 0.723. This range was considered as a good result that ensures the reliability of each field of the questionnaire. Cronbach's Alpha equals 0.762 for the total questionnaire, which indicates a good reliability of the entire questionnaire. Therefore, based on the test, the results for the items are reliable and acceptable. As indicated in the above table the reliability measure for Physical attractiveness , Source credibility, multiple celebrity and Purchase intention are 0.723, 0.714, 0.704 and 0.702 respectively which were greater than 0.7. Thus, the questionnaire was considered as reliable and suitable for data collection.

3.10. Methods of Data Analysis

The data collected through questionnaires was be analyzed by using statistical package for social scientists (SPSS) application software. OLS (ordinary least squares) multiple regression statistical analysis method was employed. The reason behind choosing OLS linear regression analysis technique is that as Malhotra (2006,) stated, it is the powerful and flexible procedures for analyzing associative relationships between metric dependent variables and two or more independent variables.

The primary instrument for data collection in this research would adopt structured questionnaire. Then, variables were measured by a five point likert scale ranging from 1= strongly disagree to 5 = strongly agree.

1= strongly disagree

3= neutral

5= strongly agree

2= disagree

4= agree

There were three independent variables in this study: Source Credibility, Physical Attractiveness and multiple celebrity endorsement. In addition, the dependent variable was purchase intention/decision. The variables' relationship was established through explanatory studies.

3.11. Ethical consideration

In this study, a written request was given to the respondents to give feedback. The respondents were assured of confidentiality, and any privacy of the information given by them. In addition, it was clear that the information gathered were solely used for this study. The researcher in accordance with this took steps to make sure that no respondent or any participant in this research work was harmed in any way. Ethics was the core to human relations and dignity. Ethical codes were written to cover the specific problems and issues that researchers frequently encounter during research work.

CHAPTER FOUR

DATA PRESENTATION, ANALAYSIS AND INTERPRETATION

This chapter presents the Reliability and Validity Test, Results and discussions of the responses gathered from the respondents through questionnaire. In this chapter, the data collected from respondents were tested analyzed and interpreted using quantitative analysis, which involves analysis of the demographical information of respondents and the descriptive and inferential statistics, employed to test the hypothesis and to investigate the effect of independent variables on dependent variable. To analyze the collected data in line with the overall objective of the research undertaking, statistical procedures were carried out using SPSS version 20.

4.1. Data presentation analysis and interpretation

The questionnaires were distributed to 384 customers of commercial bank of Ethiopia. Among these questionnaires, 345 were returned. From this 345, 32 questionnaires were found incomplete and have been discarded consequently. This affected the completeness and integrity of the data. Thus, only 313 questionnaires were used as 100% in data analysis.

4.1.1. Demographic Characteristics of Respondents

The descriptive analysis was used to see the data collected and to describe data filled through the questionnaire. It was used to express the demographic factors for more explanation and clarification. The demographic factors used in the questioner were gender, age, marital status, and educational background.

Table 4. 1 sex of the respondents.

SEX

sex		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	202	64.5	64.5	64.5
	Female	111	35.5	35.5	100.0
	Total	313	100.0	100.0	

Source: SPSS out put (2018)

The above table 4.1 shows 64.5 of respondents were male while the remaining 35.5 were female. It was important to find out the gender of the respondents. Studies that were based on the opinions of the respondents would require finding out the gender of the respondents in order to confirm whether the gender was included both side or not.

Table 4. 2 ages of respondents

Age

Age		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-25	91	29.1	29.1	29.1
	26-35	159	50.8	50.8	79.9
	36-44	36	11.5	11.5	91.4
	45-55	23	7.3	7.3	98.7
	≥56	4	1.3	1.3	100.0
	Total	313	100.0	100.0	

Source: SPSS out put (2018)

The above table 4.2 showed that 159(50.8%) of the respondents were aged between 18 and 25 , 91(29.1%) were aged between 26 and 35, 36(11.5%) was age between 36 and 44, 23(7.3%) , were aged between 45 and 55 and 4(1.3%) were aged ≥ 56 . It was important to find out the age of the respondents and majority of respondents were ranged from 26-35.

Table 4.3 Marital status of respondents

Marital status

Marital status		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Married	171	54.6	54.6	54.6
	Single	137	43.8	43.8	98.4
	Divorce	5	1.6	1.6	100.0
	Total	313	100.0	100.0	

Source: SPSS out put (2018)

The above table 4.3 showed that 171(54. %) of the respondent were married, 137(43.8%) were not married or single, and the remaining 5(1.6%) of the respondent were divorced. From the data it is possible to infer that, the marital status of the respondents were lead by married status (54.6%).

Table 4. 4 Educational background of respondents

		<u>Educational background</u>			
Educational back ground		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Informal education	2	.6	.6	.6
	1-8 grade	11	3.5	3.5	4.2
	9-12 grade	62	19.8	19.8	24.0
	Diploma	40	12.8	12.8	36.7
	Degree	172	55.0	55.0	91.7
	Second degree and above	26	8.3	8.3	100.0
	Total	313	100.0	100.0	

Source: SPSS out put (2018)

The above table 4.4 showed that 172(55.0%) of the respondent were first degree holders, 62(19.8%) were 9-12th grade , 40(12.8%) had diplomas , 26(8.3%) of respondents had second degree and above, 11(3.5%) were 1-8th grade and the remaining 2(0.6%) of the respondent had informal education . From the data, it is possible to infer that, the educational back ground of the respondents were very important, more than half percent of the respondents had degree, and it was better to understand the research questionnaire.

4.2. The Assumptions of the Regression Model (Ordinary Least Squares (OLS) Assumptions)

According to Coakes & Steed (2007), multiple regressions are extension of bivariate correlation. They state that the result of regression is an equation that represents the best prediction of a dependent variable from several independent variables. Regression analysis was used when independent variables are correlated with one another and with the dependent variable.

During the regression, the outliers, normality, and multicollinearity of the results were achieved and preserved using SPSS. The independent variables in this study were physical attractiveness, source credibility and multiple celebrity advertisement. The dependent variable is purchase intention.

4.2.1. Outliers

Outlying observations are unusual data values that can result from data entry errors or rare events affecting the observation or experimentation during data collection. While outliers can occur by chance within a distribution, they may indicate either potential measurement error or a population consisting of a heavy-tailed distribution (Hair et al. 1992).

The first corrective procedure to identify and resolve outliers is to examine the data set itself for inaccurate values. Another common assessment of potential outliers is the Mahalanobis Distance measure (D2), which considers the position of each observation in relation to the centroid or center of all observations for a variable set (Hair et al. 2010). These authors recommend that cases with values of $D2/df$ (the Mahalanobis distance measure divided by the degrees of freedom) exceeding 2.50 should be re-evaluated as potential outliers within the sample set.

The current research identified univariate outliers as cases with a standard score of the tested variable amounting to 2.5 or greater (Hair et al. 2010). The standard score was calculated by dividing each individual raw score of the variable by the sample standard deviation.

4.2. 2. Normality Test

According to Hair et al. (2010), normality is the most important of the three afore-mentioned assumptions in multivariate analysis and pertains to the bell-like shape of the distribution. Normality states that the distribution of errors of prediction was independently and normally distributed across

all levels of the dependent variable. The bell shape of a normal distribution can be accessed along two dimensions; its degree of flatness or peakness (i.e., kurtosis) and its lack of balance (i.e., skewness). Researchers have suggested, “The most commonly used critical values are ± 2.58 (.01 significance of level) and ± 1.96 , which corresponds to a .05 level” (Hair et al. 2010, p. 73).

After careful analysis of the skewness and kurtosis values across of the model, it is determined that the measures for all of the scale variables provide evidence of tolerable symmetrical distributions, thus supporting the critical assumption of normality.

The normality of the disturbance term is also required in estimating the parameters. If this is not the case, all the tests that have been used so far will be invalid. The parameters to be estimated must be the functions of a normally distributed variable (which is, most of the time, disturbance term). Normal Probability Plot (NPP) and histogram of residuals used for the test of normality of the disturbance term. A comparatively simple graphical device to study the shape of the probability density function of a random variable is the normal probability plot, which makes use of normal probability plot, a special designed graph. If the variable is from the normal population, the normal probability plot will be approximately a straight line (Gujarati, 2009). Figure 4.2 in the appendix shows that, the residuals are approximately normally distributed, because a straight line seems to fit the data reasonably well.

A histogram of residuals is a simple graphical device that was used to learn something about the shape of the probability density function (PDF) of a random variable. On the horizontal axis, the researcher divide the values of the variable of interest (e.g., OLS residuals) into suitable intervals, and in each class interval erect rectangles equal to the height of observations (i.e. frequency) in the class interval. If you mentally super impose the bell-shaped normal distribution curve on the histogram, you will get some idea as to whether normal probability density function (PDF) approximation may be appropriate (Gujarati, 2009).

The histogram displays the error term is normally distributed, therefore normality was that much not a problem in the model. Figures 4.1 in the appendix show the Histogram of the residuals and Figures 4.2 show normal Probability plot. The plot shows that the points fall very close to the normal line, and the histogram shows the standardized residuals are bell-shaped. This means the residuals are normally distributed. In addition, figures 4.3 in the appendix show the other instruments of normality,

which is scatter plot. In addition, this showed that, relatively the plot makes line, which indicated normality.

4.2. 3. Multi co linearity Test

Multi co linearity occurs when two or more predictors in the model were correlated and provide redundant information about the response. It is a situation where the variables are too highly correlated. The diagnostics variance inflation factor (VIF) and tolerance were used to test multi co linearity of the independent variables. To confirm the lack of multi co linearity among the variables, the tolerance and variance inflation factor (VIF) technique were employed to assess the correlation among the variables in this study. A composite variable was created within the SPSS program for each construct and three variables (physical attractiveness, source credibility and multiple celebrities) were regressed upon the outcome variable, purchase intention.

Variance Inflation factor (VIF) was used to check the Multicollinearity among the independent variables. Multicollinearity exists if VIF is greater than 10. Table (4.5) showed that the value of VIF for each independent variable is smaller than 10, so the problem of Multicollinearity does not exist. Co linearity statistics were computed to provide the tolerance and variance inflation factor (VIF) scores for each of the three independent variables and these scores are provided in Table 4.6. Multicollinearity was not a problem in the regression model as none of the independent variables had a VIF value of greater than 10. The respective VIF values were (physical attractiveness= 1.070 , source credibility= 1.054 multiple celebrity advertisement = 1.045), tolerance values were greater than 0.1 (physical attractiveness= 0.934 , source credibility= 0.949 multiple celebrity= 0.957).

Table 4. 5 Multicollinearity test.

Variables	Tolerance	Variable inflation factor (VIF)
Physical attractiveness	.934	1.070
Source credibility	.949	1.054
Multiple celebrity	.957	1.045

Source: SPSS out put (2018)

4.3. Correlation and regression analysis

In this section, the results of inferential statistics were presented. For assessing the objectives of the study, Pearson's Product Moment Correlation Coefficient and regression analyses were performed. With the aid of these statistical techniques, conclusions were drawn with regard to the sample and decisions were made with respect to the research hypothesis.

4.3.1. Pearson's Product Moment Correlation Coefficient

In this study, Pearson's Product Moment Correlation Coefficient was used to determine whether there is significant relationship between physical attractiveness, source credibility and multiple celebrities with purchase intention. The following section presented the results of Pearson's Product Moment Correlation on the relationship between independent variables and dependent variable. Table 4.7 below indicated that the correlation coefficients for the relationships between purchase intention and its independent variables.

Table 4. 6 correlation

Correlations

		Physical attractiveness	Source credibility	Multiple celebrity	Purchase intension
Physical attractiveness	Pearson Correlation	1	.203**	.182**	.271**
	Sig. (2-tailed)		.000	.001	.000
	N	314	314	314	314
Source credibility	Pearson Correlation	.203**	1	.136*	.250**
	Sig. (2-tailed)	.000		.016	.000
	N	314	314	314	314
Multiple celebrity	Pearson Correlation	.182**	.136*	1	.364**
	Sig. (2-tailed)	.001	.016		.000
	N	314	314	314	314
Purchase Intension	Pearson Correlation	.271**	.250**	.364**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	314	314	314	314

** . Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Source : SPSS out put (2018)

The first factor included in the celebrity advertisement was physical attractiveness. The result of Pearson correlation analysis provided in Table 4.6 showed that celebrities' physical attractiveness had a positively correlation and but not strong with purchase intention. In addition to this, the correlation coefficient between these variables is ($r = 0.271$, $p < 0.01$). This means if the company uses physically attractive celebrity in their promotion strategy, they will increase their customers purchase intention. Physical attractiveness of the celebrity is one of the important tools to create purchase intention of customers of commercial bank of Ethiopia. Koo et al (2012) describes credibility as how believable the consumer perceives the endorser's credibility to be. They simplify the point by saying it is "the amount of knowledge the source has about the product or service that he/she is endorsing". Chapo Dimed (2005) on his study he conclude that credibility (expertise and trustworthiness) is important attribute of celebrity that can influence customer attitude and purchase intention towards the advertised brand.

Sadia Aziz , Abdullah Niazi and Abdullah Niazi(2013) study was conducted on Impact of Celebrity Credibility on Advertising Effectiveness. The finding shows that advertisements with the credible celebrity generate more trustworthiness toward the brand and customer repurchases the brand repeatedly. It also makes relationship with the brand and brand was considered as the credible brand because of its credible celebrity. The correlation coefficient between source credibility and purchase intention in this study was the second celebrity attributes. The findings established that the relationship between Source credibility and purchase intention was positively correlated and but not strong with purchase intension ($r = 0.250$; $p < 0.01$). Interpretatively, change in source credibility dimension of celebrity advertisement also affected customers purchase intention. Source credibility is therefore had importance in customers purchase intention.

The last factor in customers purchase intension was multiple celebrities. As far as the table 4.7 was concerned, it had positive and moderate relationship with purchase intention. In addition to this, the correlation coefficient between these variables was ($r = 0.364$, $p < 0.01$). This means multiple celebrity advertisement by the same bank can improved customers purchase intention and had effect on sales performance.

4.3.2. Multiple regression analysis

Multiple regression analysis is defined as “a statistical technique which analyzes the linear relationships between a dependent variable and multiple independent variables by estimating coefficients for the equation for a straight line” (Hair et al., 2004, p.578). The multiple regression analysis was conducted using the stepwise regression method. In this method, each variable is entered in sequence and its value assessed, if adding the variable contributes to the model then it is retained, but all other variables in the model are then re-tested to see if they are still contributing to the success of the model. If they have no longer contribution significantly, they are removed. Thus, this method ends up with the smallest possible set of predictor variables included in the model.

An advantage of using this method is that it results in the smallest number of predictors in the model when there is large number of variables (Brace, Kemp, & Snelgar, 2000). R is a measure of the correlation between the observed value and the predicted value of the dependent variable. In this study, this was the correlation between celebrity advertisement and purchase intention. R square (r^2) is the square of this measure of correlation and indicates the proportion of the variance in the dependent variable which is accounted for by the model. The significance of r^2 is determined by the F-test, which is the same as testing the significance of the regression model as a whole.

The standardized Beta coefficients give a measure of the contribution of each variable to the model. The β -values represent the relationship between the degree of customer intention and each of the predictor. If the β -value is positive then there is a positive relationship between the predictor and the dependent variable, whereas a negative coefficient represents a negative relationship. In addition, the β -values demonstrate the extent that each independent variable affects the dependent variable if all the other predictors remain constant. A large value indicates that a unit change in this predictor variable has a large effect on the criterion variable. The T and P-values (Sig.) give a rough indication of the impact of each predictor variable, so, a big absolute T value and small p value suggests that a predictor variable is having a large impact on the criterion variable (Brace.et al 2000).

When measuring purchase intention as a function of physical attractiveness, source credibility and multiple celebrities using Stepwise regression, the following results were obtained: Table (4.7) shows the analysis of variance for the regression model. Then, there was a significant and positive

relationship between the dependent variable purchase intention and the independent variables physical attractiveness, source credibility and multiple celebrity advertisement. The multiple regression models can be specified as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \epsilon$$

Where;

Y= the dependent variable (purchase intention)

α - the intercept term- constant this would be equal to the mean if all slope coefficients are 0.

$\beta_1, \beta_2, \beta_3$ – Are constants regression coefficients

X1 – physical attractiveness

X2 – source credibility

X3 – multiple celebrities

ϵ - (Extraneous) Error term

Table 4. 7 Multiple Regression analysis result of celebrity advertisement and purchase intention

Model Summary^b

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate	Durbin-Watson
1	.451 ^a	.204	.196		.95068	1.622

a. Predictors: (Constant), multiple celebrity, source credibility, physical attractiveness

b. Dependent Variable: purchase intension

Source: SPSS out put

As far as the above table4.7 was concerned in customers of commercial bank of Ethiopia located in bahir Dar. R square is 0.204, as the independent variables i.e. physical attractiveness, source credibility and multiple celebrities can explain 20.4% of the variation in purchase intention. The

remaining 79.6 % of the variance was explained by other variables, which was not included in this study.

Table 4. 8 Anova for regression

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	71.678	3	23.893	26.436	.000 ^b
	Residual	280.177	310	.904		
	Total	351.854	313			

a. Predictors: (Constant), multiple celebrity, source credibility, physical attractiveness

b. Dependent Variable: purchase intension

Source: SPSS out put (2018)

The results showed that the study model was significant at the F statistics (F= 26.436) and (Sig = 0.000) at level of ($\alpha= 0.05$). This indicates that the overall model is significant

Table 4. 9 Regression coefficients

Coefficients ^a

Model	Un standardized Coefficients		Standardized Coefficients	T	Sig.	Co linearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	1.063	.267		3.978	.000		
Physical	.228	.066	.180	3.431	.001	.934	1.070
Source	.205	.062	.172	3.302	.001	.949	1.054
Multiple celebrities.	.285	.058	.308	5.940	.000	.957	1.045

a. Predictors: (Constant), multiple celebrity, source credibility, physical attractiveness

b. Dependent Variable: purchase intension

Source: SPSS out put (2018)

The above coefficients table 4.9 illustrates the effect of celebrity-based advertisement on purchase intention of customers of commercial bank of Ethiopia in bahir dar city. At this point using this multiple regression coefficient results, the proposed hypotheses for this study were tested as follows.

H1: Celebrity physical attractiveness has positive and significant relationship with purchase intention.

The result of multiple regression analysis of the table 4.9 above clearly indicated that for customers of commercial bank of Ethiopia in Bahir Dar city, the study area physical attractiveness has significant

influence on purchase intention ($p < 0.01$). Besides, the value of beta for customers of commercial bank of Ethiopia in Bahir Bar city, $\beta = 0.180$, this implies that a one unit increase in physical attractiveness results in 0.180 unit increase in purchase intention. The β -value has an associated error used to determine whether the β -value differs significantly from zero. The standard error indicates the extent of the β -value with respect to different samples.

The standardized β -values are more convenient to interpret. The β values indicate the number of standard deviations that the dependent variable will change as the result of one standard deviation change in the independent variable. For these data, both physical attractiveness and purchase intention had positive relationship with the outcome. So, as physical attractiveness of celebrity increases, purchase intention of customer's increases.

Based on this data, accepting the alternative hypothesis, which states that there was a significant and positive relationship between physical attractiveness and purchase intention

H2: Source credibility has positive and significant relationship with customer purchase intentions.

The result of multiple regression analysis in the table 4.9 above clearly indicates that customers of Commercial bank of Ethiopia in Bahir Dar city in the study area source credibility had significant and positive influence on purchase intention ($p < 0.01$). The value of beta for customers of Commercial bank of Ethiopia in Bahir Dar city was $\beta = .172$ this showed that positive and significant influence of source credibility on purchase intention. This implies that a one unit increase in promotion results in 0.172-unit increase in purchase intention, which was significant change.

The β -value has an associated error used to determine whether the β -value differs significantly from zero. The standard error indicates the extent of the β -value with respect to different samples. The standardized β -values are more convenient to interpret. The β values indicate the number of standard deviations that the dependent variable will change as the result of one standard deviation change in the independent variable.

For these data, change in source credibility has a significant effect on customers purchase intention. Based on this data, accepting the alternative hypothesis, which states that there is a significant and positive relationship between physical attractiveness and purchase intention

H3: multiple celebrities have positive and significant relationship with customer purchase intentions.

Table 4.9 showed that multiple celebrity has a significant influence on customer purchase intention in customers of commercial bank of Ethiopia ($p < 0.01$). Besides, the table depicts the value of beta in $\beta = .308$ it shows that the positive influence of multiple celebrity advertisement on customer purchase intention.

This implies that a one-unit increase in multiple celebrity results in 30.8 percent increase in purchase intention of customers. The β -value has an associated error used to determine whether the β -value differs significantly from zero. The standard error indicates the extent of the β -value with respect to different samples.

The standardized β -values are more convenient to interpret. The β values indicate the number of standard deviations that the dependent variable will change as the result of one standard deviation change in the independent variable. For these data both multiple celebrity and purchase intention have positive relationship with the outcome. Therefore, as celebrity increases, purchase intention increases. There for, based on this data, accepting the alternative hypothesis, which state that multiple celebrity advertisement has positive and significant relationship with customer purchase intentions.

Table 4. 10 Summary of hypothesis testing

No		Tool	Result
H1	Physical attractiveness has positive and significant relationship with purchase intention	Regression	Accepted
H2	Source credibility has positive and significant relationship with customer purchase intentions	Regression	Accepted
H3	Multiple celebrity has positive and significant relationship with customer purchase intentions	Regression	Accepted

Source: SPSS out put (2018)

CHAPTER FIVE

CONCLUSION AND RECOMMENDATION

This chapter reviewed the conclusions of the findings that had been obtained, where it presents the results of the analyses and recommendations of the study based on the objectives of the study. The objectives of this study were to investigate the effect of celebrity advertisement on customers purchase intention the case study on customers of commercial bank of Ethiopia in Bahir Dar city.

5.1. Conclusion

This study was designed to investigate how endorser's characteristics (i.e., credibility, attractiveness, and multiple endorsements) was influenced purchase intension of customers of commercial bank of Ethiopia in Bahir Dar city.

All the correlation matrices presented in the study, indicate that there was a positive relationship between the dependent variables and consumers purchasing intentions. This indicated that higher scores in those dependent variables lead to higher purchasing intentions.

- The study found that credibility of celebrity endorsement had significant effect on customers purchase intention. This indicates that celebrity who appeared in advertisement was trustworthy, honesty, and expert of what they are endorsing.
- The majority of the research done about credibility states that an endorser, who had the key credibility source factors, was able to increase considerably the purchase intentions of the consumer (Liu *et al.*, 2007). Additionally, it was supported the idea that using credible endorsers and their personal sources may be a way to bring higher levels of believability into an advertising message (Beltramini and Sirsi 1992), once it has been shown that they are able to increase and influence consumers purchase intentions (Gotlieb and Sarel 1991).
- The finding of the present study also supported all the results from the literature
- The study found that credibility of celebrity endorsement had significant effect on customers purchase intention. This indicates that celebrity who appeared in advertisement should be trustworthy, honesty, and expert of what they are endorsing.

This could be because there were a well-known celebrities to the public and the bank should be selected the best credible celebrities who can create a positive image in the mind of the customers and lead to win the competition. Therefore, customers can prove they were trustworthy or experienced and link this with the endorsed bank. With reference of this finding, the study support theories, this mentioned that credibility of celebrity increase customers, purchase intention.

- The study strongly admitted that physical attractiveness was key tool in increasing purchase intention of customers of CBE in celebrity advertisement. It was further agreed that, the physical attractiveness enhance customers purchase intention, which have positive and significant implication to banks in order to increase customers' purchase intension and become strong competent.
- The study supported the theories as it found that physical attractiveness, source credibility, and multiple celebrities assisted it in identifying ways to increase purchase intention, which lead the bank to be profitable.
- Finally, the study also shows that there was positive relationship between attractiveness, source credibility, and multiple celebrity and purchase intention of customers. The use of attractiveness, source credibility, and multiple celebrities in the advertisement can increase intention to purchase.

5.2. Recommendation

Based on the finding of the study, researcher gave the following recommendation:

- A bank board of director should choose capable celebrities who are well experienced in transferring messages to customers and the whole society.
- The bank's chief business development department should give more emphasis to identify the right celebrities who can confirm the advertisement is effective and efficient.
- A bank board of director should choose celebrities, which their highly relevant characteristics are match with the highly relevant attributes of the bank.
- Using physically attractive celebrity can help the bank to get high attention by actual and potential customers and can increase number of customers.
- The marketing and promotion management department should choice credible celebrity who can influence customers' decision.
- Board of the bank should give attention in applying celebrity advertisement which can build positive image and motivate customers purchase intention
- A bank marketing and promotion management department should choose multiple celebrities, which their highly relevant characteristics were avoid over exposure and shadowing.
- Chief business and development department should apply multiple celebrities and avoid commoditization.
- Finally, Board of the bank should understand applying celebrity advertising was not the only factor affecting customers purchase intension and cannot guaranteed for retain customers.

5.3. Future research

Further research on this topic should include at first a wide range of customers to be included in the sample, having in mind that this study had focused its research mainly on respondents within the customers of commercial bank of Ethiopia. It would also be interesting to study not only the customers of commercial bank of Ethiopia, But also customers from different banks to see the findings from different perspectives in Bahir Dar city.

Including them in the future, research would be a good help on getting an overall perception of the customers. Chaiken and Eagly (1983) noted that source characteristics are more persuasive when they appear in television ads than in print ads. Despite making the questionnaire too exhaustive, it would be interesting to present TV advertisements, not only due to sources characteristics but also to the overall dynamism that it would bring into the analysis.

Finally, the Meaning Transfer Model by McCracken (1989) needs to be analyzed with greater depth. Study on how the meaning is transferred from the celebrity to the product/service, reasons on how the media selects such celebrities and how consumers are attracted towards their attributes and what in turn leads to buying behavior can also be investigated.

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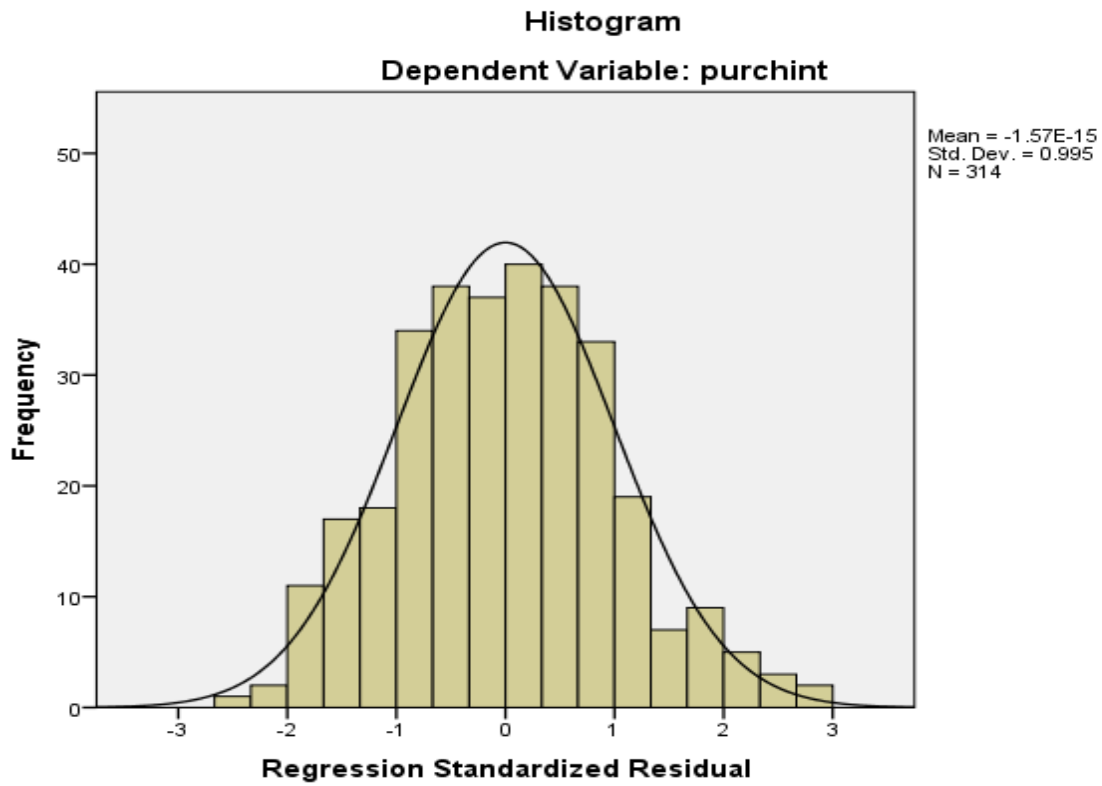
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Appendix I

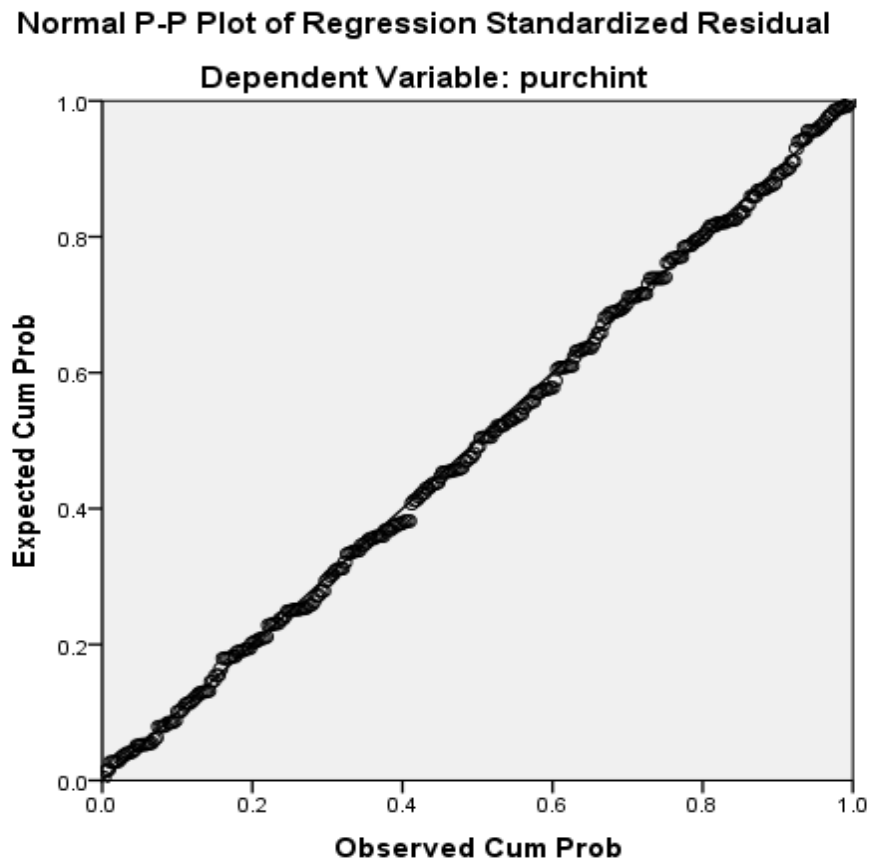
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SCHOOL OF POST GRADUATE STUDIES
FACULTY OF BUISNESS AND ECONOMICS
DEPARTMENT OF MARKETING MANAGEMENT

Figure 2 Histogram normality test



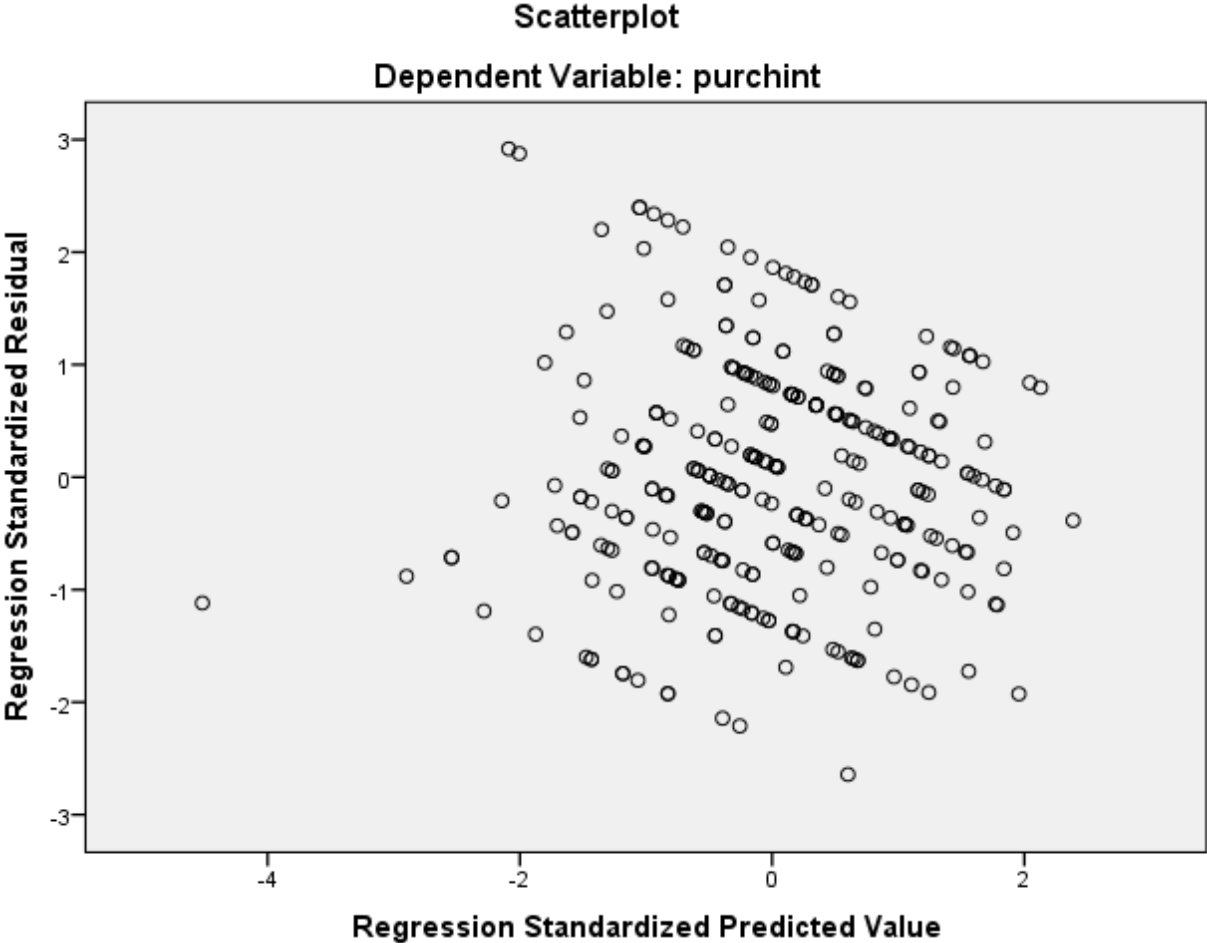
Source: SPSS output (2018)

Figure 3 p-plot normality test



Source: SPSS output (2018(2018))

Figure 4 Scatter plot normality test



Source: SPSS output (2018)

Appendix II

Inter-Item Correlation Matrix

	Correlation between Vectors of Values			
	beauty1	beauty2	beauty3	beauty4
beauty1	1.000	.581	.640	.661
beauty2	.581	1.000	.670	.510
beauty3	.640	.670	1.000	.528
beauty4	.661	.510	.528	1.000

Inter-Item Correlation Matrix

	Correlation between Vectors of Values				
	credibility1	credibility2	credibility3	credibility4	credibility5
credibility1	1.000	.427	.434	.421	.278
credibility2	.427	1.000	.472	.436	.153
credibility3	.434	.472	1.000	.615	.201
credibility4	.421	.436	.615	1.000	.171
credibility5	.278	.153	.201	.171	1.000

Inter-Item Correlation Matrix

	Correlation between Vectors of Values		
	multicbty1	multicbty2	multicbty3
multicbty1	1.000	.791	.327
multicbty2	.791	1.000	.217
multicbty3	.327	.217	1.000

Inter-Item Correlation Matrix

	Correlation between Vectors of Values		
	purchint1	purchint2	purchint3
purchint1	1.000	.630	.410
purchint2	.630	1.000	.336
purchint3	.410	.336	1.000

Appendix III

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
credibility1	15.4601	10.916	.546	.303	.631
credibility2	15.3099	11.413	.500	.302	.652
credibility3	14.7380	12.707	.594	.450	.631
credibility4	14.7764	12.931	.559	.423	.642
credibility5	15.5623	13.042	.263	.085	.760

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
multicity1	6.0767	4.936	.715	.651	.357
multicity2	6.4281	5.258	.612	.627	.493
multicity3	6.5367	6.999	.287	.112	.883

Item-Total Statistics

	Scale Mean if Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
beauty1	8.9553	13.851	.742	.568	.799
beauty2	9.0927	14.501	.685	.498	.823
beauty3	9.5591	13.677	.721	.548	.808
beauty4	8.8626	15.004	.652	.466	.837

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
purchase1	6.4217	4.841	.631	.441	.502
purchase2	6.4313	5.291	.572	.404	.581
purchase3	6.3546	5.730	.414	.178	.772

Appendix IV

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
beauty1	313	1.00	5.00	3.2013	1.47666	-.189	.138	-1.466	.275
beauty2	313	1.00	5.00	3.0639	1.45303	.040	.138	-1.473	.275
beauty3	313	1.00	5.00	2.5974	1.53096	.559	.138	-1.240	.275
beauty4	313	1.00	5.00	3.2939	1.41982	-.233	.138	-1.393	.275
credibility1	313	1.00	5.00	3.5016	1.37776	-.362	.138	-1.322	.275
credibility2	313	1.00	5.00	3.6518	1.34812	-.681	.138	-.862	.275
credibility3	313	1.00	5.00	4.2236	.97459	-1.653	.138	2.659	.275
credibility4	313	1.00	5.00	4.1853	.97279	-1.409	.138	1.710	.275
credibility5	313	1.00	5.00	3.3994	1.42671	-.342	.138	-1.319	.275
multicbty1	313	1.00	5.00	3.4441	1.38128	-.717	.138	-.813	.275
multicbty2	313	1.00	5.00	3.0927	1.41457	-.179	.138	-1.360	.275
multicbty3	313	1.00	5.00	2.9840	1.43326	-.116	.138	-1.442	.275
purchint1	313	1.00	5.00	3.1821	1.35000	-.233	.138	-1.299	.275
purchint2	313	1.00	5.00	3.1725	1.30173	-.253	.138	-1.187	.275
purchint3	313	1.00	5.00	3.2492	1.38971	-.374	.138	-1.243	.275
Valid N (listwise)	313								

Appendix V

BAHIR DAR UNIVERSITY

SCHOOL OF POST GRADUATE STUDIES

FACULTY OF BUISNESS AND ECONOMICS

DEPARTMENT OF MARKETING MANAGEMENT

I. Questionnaire (English Version)

Dear Respondents!

This questionnaire was designed to collect data on the factors perceived to be important in affecting celebrity advertisement on customers' purchase intention of Commercial bank of Ethiopia in Bahir dar city. The research paper is intended for the partial fulfillment of Master Degree in Marketing Management in Bahir Dar University. The information gathered will be accessed only by the researcher and will be kept strictly confidential. The result of the study will be used for academic purpose only.

Part I. Demographic Data (please put a "√" mark on the box that best describes you)

1. Gender: Female Male

2. Age: 18- 25 26- 35 36-44 45-55 56 and above

3. Martial status Married Single Divorce

4. Educational Background: Informal Education Primary education
Secondary education Diploma First degree Masters and above

Please note that:

1. No need of writing your name.
2. Please fill the answer by putting “√” mark.
3. Please give more attention and return the completed as fast as possible.
4. If you need further explanation, you can contact me on through the address sown below.

Thank you in advance, for your cooperation

Mulugeta Tedla

Mobile: +251912198073

E-mail: mtm8073@gmail.com

II. Factors Perceived to be Important informing Consumers' Purchase Intention

Please select the degree of agreement/disagreement with the following statements associated with factors that you perceive to be important which affect your purchase intention. **(Please put a "√" mark on the box that best describes you)**

	Measurement items	Strongly disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly agree(5)
	Attractiveness					
1	I believe bank service specifically advertised by physically attractive celebrities are good quality					
2	I select a bank, if a bank is advertised by physically attractive celebrity					
3	I stop buying bank service if celebrities are not physically attractive					
4	Does physically attractive celebrity give a positive image to the endorsed bank					
	Credibility					
1	I select a bank based on the celebrity's source credibility					
2	I stop choosing a bank if celebrities' are not credible.					
3	Celebrities' source credibility					

	is help full to remember a bank					
4	Celebrities' source credibility has a power to gives a positive image to the endorsed bank.					
5	Celebrities' source credibility have no any impact to make a bank selection decision					
	Multiple celebrity advertisement					
1	I think multiple celebrity advertisement helps me to have a positive image about the bank					
2	I think multiple celebrity advertisement leads to me to chose a bank					
3	Applying multiple celebrity does not influence me to chose a bank					
	Purchase intention					
1	My favorite celebrities lead me to make a decision					
2	I think celebrities can create trust about the bank					
3	I think Brand name can Influence purchasing intension					

Appendix VI

ባህር ዳር ዩኒቨርሲቲ

ቢዝነስ እና ኢኮኖሚክስ ፋኩሊቲ

ማርኬቲንግ ማኔጅመንት ትምህርት ክፍል

የመመሪያ ጽ/ቤት ጥናት የሚሆን ለባንክ ደንቦች የተዘጋጀ መጠይቅ

የመጠይቁ መሰረታዊ ዓላማ አንድ ባንክ በታዋቂ ሰዎች በመተዋወቁ ምክንያት በደንቦች ላይ ያለውን ተጽዕኖ በተመለከተ ለሁለተኛ ዲግሪ ትምህርት መመሪያ የሚሆን ጥናት ለማካሄድ የተዘጋጀ መጠይቅ ነው። መጠይቁ የተዘጋጀው ለጥናት አገልግሎት ብቻ ስለሆነ በአክብሮት መረጃችሁን ሳትቆጥቡ እንድትተባበሩኝ ስል በትህትና እጠይቃለሁ።

ክፍል አንድ

1. አጠቃላይ የደንቦች መረጃን በተመለከተ

1.1. ጾታ 1. ወ 2. ሴ

1.2. ዕድሜ 1. 18-25 2. 26-35 3. 36-44 4. 45-55 5. 56 እና ከዚያ በላይ

1.3. የጋብቻ ሁኔታ: 1. ያገባ 2. ያላገባ 3. የፈታ/ች

1.4. የትምህርት ደረጃ 1. መደበኛ ያልሆነ ትምህርት 2. ከ1-8ኛ ክፍል 3. ከ9-12ኛ ክፍል

4. ዲፕሎማ 5. የመጀመሪያ ዲግሪ 6. ሁለተኛ ዲግሪ እና ከዚያ በላይ

ማሳሰቢያ

1. ስም መጻፍ አያስፈልግም
2. መልሱን የ“√”ምልክት በመጠቀም ያስቀምጡ.
3. ትልቅ ትኩረት ሰጠዉመጠይቁን በመሙላት የተሟላ መረጃ ይስጡ
4. ተጨማሪ መረጃ ካስፈለገዉ የሚከተለዉን አድራሻ ተጠቅሙ ማግኘት ይችላሉ ::

በቅድሚያ ስለ ትብብረዉት አመሰግናለሁ ::

ሙሉጌታ ተደላ

ስልክ ቁጥር: +251912198073

E-mail: mtm8073@gmail.com

ክፍል ሁለት

2. በባንክ ደንበኝነት ዉሳኔ አስፈላጊ የሆኑ ጉዳዮች

እባክዎን በባንክ ምርጫወት ላይ ተፅዕኖ በሚያሳድሩ ጉዳዮች ላይ ስምምነትዎን ወይም አለመስማማትዎን የ“√” ምልክትን ተጠቅመዉ መልስዎን እንዲሰጡ በአክብሮት እጠይቃለሁ ::

ተ.ቁ	የመለኪያ አይነቶች	በጣም አልሰማማም	አልሰማማም	መወሰን አልችልም/ አላውቅም	እስማማለሁ	በጣም እስማማለሁ
	ዉበት/ቁንጅና					
1	ለእኔ ቁንጅና/ዉበት ባላቸው ታዋቂ ሰዎች ባንኩ መተዋወቁ የተሻለ የባንክ አገልግሎት እንዳለው አምናለሁ					
2	ለእኔ የባንክ ደንበኛ ለመሆን ቁንጅና/ዉበት ባላቸው ታዋቂ ሰዎች መተዋወቁ ተፅዕኖ አለዉ					
3	ባንኩን የሚያስተዋውቁት ታዋቂ ሰዎች ዉበት/ቁንጅና የሌላቸው ከሆነ ደንበኛ ከመሆን እታቀባለሁ					
4	ለአንተ/ች አንድ ባንክ ዉበት/ቁንጅና ባላቸው ታዋቂ ሰዎች በመተዋወቁ ምክንያት ባንኩ ላይ መልካም እይታ ይፈጥርልሀል/ሻል					
2	ተአማኒነት /መልካም ስብዕና					
1	አንድን ባንክ ለደንበኝነት የምንመርጠው በሚያስተዋውቁት ታዋቂ ሰዎች መልካም ስብዕና ተመስርቶ ነው					
2	መልካም ስብዕና በሌላቸው ታዋቂ ሰዎች የሚተዋወቅን ባንክ ምርጫየ አላደርገውም					

3	አንድን ባንክ መልካም ስብዕና ባላቸው ታዋቂ ሰዎች ማስተዋወቅ ባንኩን በተላሉ ለማስታወስ ይረዳል					
4	መልካም ስብዕና ባላቸው ታዋቂ ሰዎች ባንኩን ማስተዋወቅ መልካም ስምን የመፍጠር አቅም አለው					
5	መልካም ስብዕና ባላቸው ታዋቂ ሰዎች ባንኩ መተዋወቁ ለእኔ ምንም አይነት ተፅዕኖ የለውም					
3	ከአንድ በላይ ታዋቂ ሰዎችን ተጠቅሞ ባንኩን ማስተዋወቅ					
1	አንድ ባንክ የተለያዩ ታዋቂ ሰዎች እንዲያስተዋውቁለት ማድረግ ስለባንኩ የተሸለ እይታ እንዲኖረኝ ያደርጋል					
2	አንድ ባንክ የተለያዩ ታዋቂ ሰዎች እንዲያስተዋውቁለት ማድረግ ባንኩን እንደመረጠው ያደርገኛል					
3	ባንኩ የተለያዩ ታዋቂ ሰዎችን ተጠቅሞ ማስተዋወቁ ለእኔ ምንም አይነት ተፅዕኖ የለውም					
4	የመግዛት ዉሳኔ/ዝንባሌ					
1	የማደንቃቸው ታዋቂ ሰዎች ባንኩን በማስተዋወቃቸው ምክንያት ባንኩን እንደመርጠው ያደርገኛል					
2	እኔ እንደማስበው ባንኩ በታዋቂ ሰዎች በመተዋወቁ ምክንያት ባንኩን እንደመርጠው ያደርገኛል					
3	እኔ እንደማስበው የባንክ ደንቦች ለመሆን የባንኩ ስም ተፅዕኖ አለው					