THE IMPACT OF CELEBRITY ENDORSEMENT TO YOUTH CONSUMER PURCHASE DECISION ON ADIDAS APPAREL PRODUCT

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ABSTRACT

Celebrity endorsements are commonly used strategies for promoting various types of products, services or brands. The main purpose of using celebrity endorser is to influence consumer behaviour, especially purchase intention that will lead to consumer purchase decision, which is directly linked to the revenue of the company. This research is conduct in Manado, North Sulawesi. The objectives of this research are to know the influence of celebrity endorsement to consumers' purchase decision of Adidas product in Manado partially and simultaneously. This research is the causal type of research where it will investigate the influence of celebrity's credibility on consumer purchase decision. The population in this study is the youth consumers of Adidas apparel products, whereas samples taken are 100 respondents. The conclusion of this research, there is a significant influence of attractiveness, trustworthiness, and expertise of celebrity endorser, simultaneously, on youth consumer purchase decision. There are also significant influences of attractiveness and expertise of celebrity endorser, partially, on youth consumer purchase decision. This study reveals that attractiveness is the most significant credibility source to influence youth consumer purchase decision. This means youth consumers significantly influenced by the physical appearance of celebrity endorsement in making purchase decision.

Keywords: consumer purchase decision, celebrity endorsement, attractiveness

INTRODUCTION

Research Background

Nowadays celebrity endorsements are commonly used strategies for promoting various types of products, services or brands. Across the world, celebrities have been used for a variety of brands. Undoubtedly, the celebrity endorser could reinforce a company's marketing communications, positioning and represent its brand. It is because celebrity endorsement can arouse public awareness and people's interest both effectively and efficiently. However, the main purpose of using celebrity endorser is to influence consumer behaviour, especially purchase intention that is directly linked to revenue of the company. So it is very important to grab consumers' attention and interest by using a celebrity who has unique characteristics that can truly arouse consumers' purchase intention that will lead to consumer's purchase decision.

As celebrity endorser, they must certainly have some unique factors which allow people to remember them, for instance they are good looking. On the other hand, consumers usually interpret the source of marketing messages by judging whether the celebrity endorsers are trustworthy, expert and attractive. In Manado, some consumers of apparel products, in this case is adidas, buy adidas' product by considering the celebrity endorsers. For example, to buy the futsal boots, several consumers will take the endorsers as a consideration to buy the boots. They prefer to buy the boots that endorsed by famous athletes.

In term of soccer, which is the most popular sport in Manado. Adidas has four of the top 10 highest-paid soccer shoe endorsees. Adidas pays Beckham $11.7 million a year, making him the highest-paid soccer player for a shoe endorsement deal. Gareth Bale is paid $5.5 million annually by Adidas. That make Bale the fourth-highest-paid soccer shoe player. Mesut Ozil, paid $4.9 million, and Lionel Messi, paid $3.3 million. Messi recently became only the second Adidas soccer player, after David Beckham, to get his own brand, with the launch of the iconic Messi signature line. Of course this will also need fund, that we know it won't be cheap for research & development department to keep developing this product line.

The information above explained that hiring a celebrity to endorse a certain brand or product will involve a big amount of money. So, is it really worthy to have a celebrity to endorse a brand in term of direct impact to consumer purchase decision? Therefore, it is important to conduct a research which aims to find out the above effects and relationships. Because of that, a study will conduct in Manado in order to find out the above effects and relationship. Later on will be explained about the population, sample and place where the study will be conducted.

Research Objectives

The objectives of this research are to analyze the influence of:
1. Attractiveness on celebrity endorser to youth consumer purchase decision of Adidas' apparel product in Manado.
2. Trustworthiness of celebrity endorser to youth consumer purchase decision of Adidas' apparel product in Manado.
3. Expertise on celebrity endorser to youth consumer purchase decision of Adidas' apparel product in Manado.
4. Attractiveness, trustworthiness and expertise of celebrity endorser to youth consumer purchase decision on Adidas apparel product in Manado.

THEORETICAL REVIEW

Theories
Consumer Behavior

Schiffman and Kanuk (2007:37) defined that consumer behavior is the behavior that consumers display in searching for, purchasing, using, evaluating, and disposing of products and services that they expect will satisfy their needs. According to Griffin and Ebert (2006:283), consumer behavior is the study of the decision process by which people buy and consume product. The behavior of buyer is important things that influence the buying decision process.

Consumer Decision Making Process

Solomon (2011:362) defined that consumer decision making is a central part of consumer behavior, but the way we evaluate and choose products (and the amount of thought they put into these choices) varies widely, depending on such dimensions as the degree of novelty or risk related to the decision. According to Blackwell, et al. (2006) there are seven stages of consumer decision making process, which is need recognition, search for information, pre-purchase evaluation of alternatives, purchase consumption, post-consumption evaluation, and divestment.

Celebrity Endorsement

McCracken (1989) in Ahmed, et al (2014) provides a clear definition describing celebrity endorser 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." He further explained celebrity endorsement as a "ubiquitous feature of modern marketing." Friedman and Friedman (1979) describe celebrity endorser as an individual who is known to public for his or her achievements in areas other than that of product class endorsed.

Source Credibility

Ohanian (1990) defined that source credibility is the degree to which the receiver would believe the source has certain degree of relevant knowledge and/or expertise and they choose to believe the information offered by the source.

Attractiveness

Attractiveness is something that could arouse the interest of most people. It is not limited to the size of the body, but it encompassed all of one's physical attributes. For example, hair color, facial features and physical appearance. Moreover, endorser's personality, likeability, similarity to the receiver and receiver's perceived social value would also affect the interpretation of attractiveness. "Attractiveness of the celebrity endorsers could be affected by one's thoughts, beliefs, attitudes and the society" (Temple, 2009).
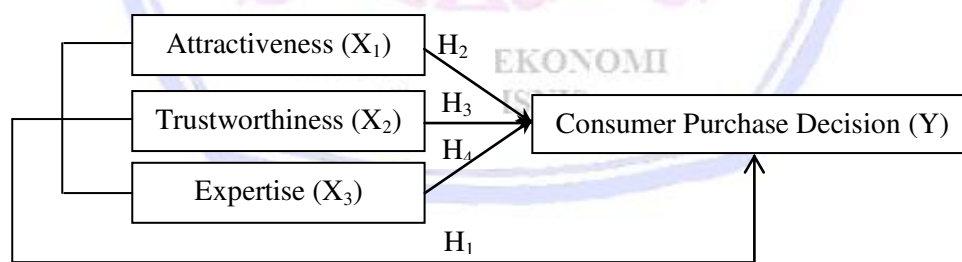
Trustworthiness

Hovland (1953) in Pui Yi (2012) defined that trustworthiness is the degree of confidence in the communicator's intent to communicate the assertions which he or she considered the most valid. It also meant consumer's confidence in the source for providing information in an objective and honest manner (Ohanian, 1990)

Expertise

Expertise is the extent to which a communicator is perceived to be a source of valid assertion. They usually supported by professional knowledge and skills thus their claims about the product became a factor that increased the persuasiveness to consumers. Some researchers believed that the endorser with expertise would be more potent than those only have physical attractiveness (Silvera and Austad, 2004).

Previous Research

Pui Yi (2012), Effects of Celebrity Endorsement on Consumer Purchasing Intention of Apparel Products. Rohit (2007-2008), A Study on the Impact of Celebrity Endorsement on the Indian Consumers' Purchase Decision. Ahmed, et al (2014), Credibility of Celebrity Endorsement and Buying Intentions an Evidence from Students of Islamabad, Pakistan.

Figure 1. Conceptual Framework
Source: Processed data 2014

Hypothesis

H_1: Celebrity endorser's attractiveness, trustworthiness & expertise influece consumers' purchase decision simultaneously

H_2: Celebrity endorser's attractiveness influece consumers' purchase decision partially

H_3: Celebrity endorser's trustworthiness influece consumers' purchase decision partially

H_4: Celebrity endorser's expertise influece consumers' purchase decision partially

RESEARCH METHOD

Type of Research

This research is a causal type of research where it will investigate the influence of celebrity endorsement on consumer purchase decision.

Place and Time of Research

This study was conducted in Manado, at 3 futsal field, My Futsal Megamas, Champion Futsal Bahu and Marina Futsal, where we can find many youth gathered. The research was conducted on August 2014.

Population and Sample

Population is the entire group or people, events, or things that the researcher desires to investigate (Sekaran and Bougie, 2010:443). The population in this research is the youth (age 15 – 23) in Manado. The sample of this research is youth who wear adidas product in Manado. As many as 100 respondents who will be chosen in several places in Manado. The sampling design is the unrestricted probability sampling design, more commonly known as simple random sampling, every element in the population has a known and equal chance of being selected as a subject. This sampling design has the least bias and offers the most generalizability (Sekaran and Bougie, 2010:270).

Data Collection Method

There are two types of data: (1) Primary Data use questionnaires were distributed to consumers of Adidas, respectively 100 sheets. While calculating weight rating customer questionnaires using Likert scale. Likert scale was associated with a statement about one's attitude towards something. And (2) secondary data is method of data collection by studying the relevant literature in order to obtain theoretical overview from books, journals, and relevant literature from library and internet with the concept of influence of celebrity endorsement on consumer purchase decision.

Operational Definitions and Measurement of Research Variable

Operational definitions of research variables are:
1. Attractiveness (X_1) is about endorser's physical appearance.
2. Trustworthiness (X_2) is related to the degree of actual believability and credibility of the celebrity endorsers.
3. Expertise (X_3) is degree which a communicator is perceived to be a source of valid assertion.
4. Consumer Purchase Decision (Y) is a decision that made by the consumers after been through several step in decision making process, whether they will buy a product or not.

Data Analysis Method

Validity and Reliability Test

The reliability of a measure is established by testing for both consistency and stability. Consistency indicate how well the items measuring a concept hang together as a set, Cronbach's alpha is a reliability coefficient that indicates how well the items in a set are positively correlated to one another (Sekaran and Bougie, 2010:162). Since reliable scale are not necessarily valid, researchers also need to be concerned about validity. It assesses whether scale measure what is supposed to be measured. Thus validity is a measure of accuracy in measurement (Hair et al, 2010:120).

Multiple Regressions on Analysis Method

Linear regression is used to model the value of a dependent scale variable based on its linear relationship to one or more predictors. The method of analysis used in this study is multiple regression models approach the return. Cooper and Schindler (2001:767) stated that multiple regression analysis is techniques to observed value more than one X to estimate or predict corresponding Y value. The formula of multiple linear regressions is as follows:

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

Where :

Y　　= Consumer Purchase Decision
X_1　= Attractiveness
X_2　= Trustworthiness
X_3　= Expertise
α　　= Constant
$\beta_1, \beta_2, \beta_3$　= The regression coefficient of each variable
e　　= standard error

RESULT AND DISCUSSION

Result

Validity and Reliability

The validity test of Attractiveness (X_1) is 0.678, Trustworthiness (X_2) is 0.773, Expertise (X_3) is 0.707 and Consumer Purchase Decision (Y) is 0.460, are above 0.3 which mean that all indicator are valid. The reliability test using Alpha Cronbach. The Cronbach's Alpha parameter, with ideal score more than 0.6. The variable are reliable because the value of Cronbach's Alpha is bigger than 0.6.

Test of Classical Assumption

Multicolinearity
Table 1. Collinearity Statistics

| Model	Collinearity Statistics	
	Tolerance	**VIF**
1　(Constant)		
X_1	.532	1.881
X_2	.464	2.154
X_3	.611	1.636

a　Dependent Variable: Y (Consumer Purchase Decision)
Source: Data Processed, 2014

The calculation multicolinearity through VIF and tolerance. VIF value of Attractiveness (X_1) is 1.881, Trustworthiness (X_2) is 2.154 and Expertise (X_3) is 1.636 are <10, this means that there is no connection between the independent variables.

Heteroscedasticity

Heteroscedasticity occurs if there are dots which form a certain pattern regularly as waves. Homoscedasticity occurs if there are no certain patterns which are clear, and the dots spread above and below the 0 the Y-axis
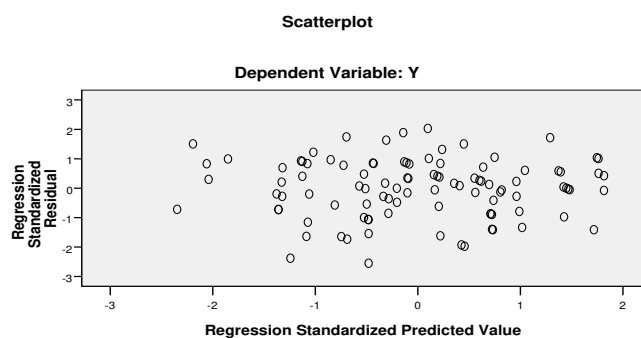
Figure 2. **Heteroscedasticity Results**
Source : Processed data 2014

Figure 2 shows that the patterns of the dots are spreading and the dots are spreading above and below the zero point of Y-axis. So, there is no heteroscedasticity in this regression.

Normality

Normality test can be identifying by using graph of P-P Plot. The data will distribute normally if the value of P-P Plot is near diagonal line of the graph.
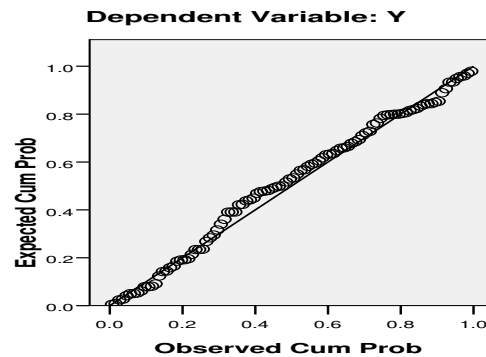

Figure 3. **Normality Results**
Source: Processed data 2014

Figure 3 shows the dots spread near the diagonal line and follow the direction of the diagonal line. Therefore, the data is distributed normally.

Multiple Regression Analysis

Table 2. Multiple Regression Result

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.695	.247		2.810	.006
	X_1	.797	.070	.871	11.356	.000
	X_2	-.201	.083	-.199	-2.419	.017
	X_3	.173	.077	.160	2.243	.027

Source: Processed Data, 2014

From the analysis, obtained by linear regression equation as follows:

$$Y = 0.695 + 0.797 X_1 - 0.201 X_2 + 0.173 X_3$$

From the multiple linear regression equation above, it can inform the interpretation as follows:

1. Constant value of 0.695 means that if all independent variables in this research: attractiveness, trustworthiness, and expertise of celebrity endorser are equal to zero, then the consumers' purchase decision (Y) of Adidas' apparel products is predicted to be 0.695.
2. Coefficient value of 0.797 means that if the variable in this research, attractiveness of celebrity endorser, increases by one scale or one unit, it will increase consumers' purchase decision of Adidas' apparel products by 0.797.
3. Coefficient value of -0.201 means that if the variable in this research, trustworthiness of celebrity endorser, increases by one scale or one unit it, will decreases consumers' purchase decision of Adidas' apparel products by 0.201.

4. Coefficient value of 0.173 means that if the variables in this research, expertise of celebrity endorser, increases by one scale or one unit, it will increase consumers' purchase decision of Adidas' apparel products by 0.173.

Coefficient Determination (r^2)

Table 3. Table R and R^2

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.837(a)	.700	.690	.33772

a Predictors: (Constant), X$_3$, X$_1$, X$_2$
b Dependent Variable: Y
   Source: Data Processed, 2014

The coefficient determination (R^2) measures how good is the ability of a model in explaining variation of dependent variable. The value of coefficient of determination is between 0 and 1. The coefficient determination (R^2) of 0.700 shows that the linear relationship in this model is able to explain the consumers' purchase decision (Y) for 70% while the rest 30% is explained by other factors not discussed in this research. Since independent variables used in this research is more than two variables, then adjusted R^2 is preferably used. In this case adjusted R^2 is 0.690. It means 69% variation of dependent variable can be explained by three independent variables, while 31% is explained by other causes.

Hypothesis Testing

Table 2 F-Test

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	25.518	3	8.506	74.580	.000(a)
	Residual	10.949	96	.114		
	Total	36.468	99			

a Predictors: (Constant), X$_3$, X$_1$, X$_2$
b Dependent Variable: Y
   Source: Data Processed, 2014

By using the level of significant of 0.01 (α = 0.01) and degree of freedom (df) of 3;100, the F$_{table}$ from F distribution table is F$_{3;100;0.01}$ = 3.98, while the value of F$_{count}$ from the table 4.10 is 74.580. The result is F$_{count}$ > F$_{table}$ = 74.580 > 3.98. The table shows also that the significance value is 0.000 < 0.01. It means the overall influence of X$_1$, X$_2$, and X$_3$ on Y is very significant. Therefore H$_0$ is rejected and H$_a$ is accepted. In other words, the independent variables simultaneously influence the dependent variable very significantly.

Table 3. t-Test

Model	t	Sig.
Attractiveness	11.356	.000
Trustworthiness	-2.419	.017
Expertise	2.243	.027

a Dependent Variable: Y
   Source: Data Processed, 2014

The calculations in the table above, the interpretation as follows:

1. t$_{count}$ for attractiveness (X$_1$) is 11.356. Value on t$_{table}$ used for comparison is found at the level of significance of 0.01, which is at the confidence level of 98%. The outcome is t$_{table}$ will be t$_{100;0.01}$ = 2.364. The result is t$_{count}$ > t$_{table}$ = 11.356 > 2.364. It means attractiveness (X$_1$) partially influence the consumers' purchase decision (Y) of Adidas' apparel products very significantly. Therefore, H$_0$ is rejected and H$_a$ is accepted.

2. t_{count} for trustworthiness (X_2) is -2.419. Value on t_{table} used for comparison is found at the level of significance of 0.01, which is at the confidence level of 98%. The outcome is t_{table} will be $t_{100;0.05} = 2.364$. The result is $t_{count} < t_{table} = -2.419 < -2.364$. It means trustworthiness (X_2) does not have significant partial influence on consumers' purchase decision (Y) of Adidas' apparel products. Therefore, H_0 is accepted and H_a is rejected.

3. t_{count} for expertise (X_3) is 2.243. Value on t_{table} used for comparison is found at the level of significance of 0.05, which is at the confidence level of 90%. The outcome is t_{table} will be $t_{100;0.05} = 1.660$. The result is $t_{count} > t_{table} = 2.243 > 1.660$. It means expertise ($X_3$) partially influence the consumers' purchase decision (Y) of Adidas' apparel products significantly. Therefore, H_0 is rejected and H_a is accepted.

Discussion

This research discover that there are some factors that influence consumers' purchase decision of youth consumer of Adidas' apparel product. Based on the result of F-test there is a linear relationship in this multiple regression equation model, in other words all the independent variables influence the youth consumers' purchase decision simultaneously.Attractiveness and expertise of celebrity endorser are all factors that influence the youth consumers' purchase decision of Adidas' apparel product. The result of T-test shows that the independent variables such as attractiveness and expertise of celebrity endorser partially has very significant and significant influence, consecutively on youth consumers' purchase decision.

While trustworthiness of celebrity endorser has no effect with youth consumers' purchase decision of Adidas' apparel product. A study of Deshpande and Stayman (1994) in Erdogan (1999) found a factor that may lead to this result. They confirmed the hypothesis that endorser's ethnic status would affect endorser trustworthiness and as a result brand attitudes. These interactions occur because people trust individuals who are similar to them. This could be the reason why consumers in Manado can not be influenced by the trustworthiness of Adidas' celebrity endorser that mostly are foreigners.

This study shows that the respondent / youth consumers in Manado are influenced by attractiveness and expertise of celebrity endorser while making purchase decision to buy apparel products of Adidas. Another independent variable (trustworthiness) does not have significant influence to the consumer purchase decision on apprel products of Adidas. Youth consumers in Manado are very concern and mostly attracted by the physical appearance and experience or ability in certain kind of sport from the celebrity endorser. It can be a consideration from the marketers of adidas in manado to stick out those part of adidas' celebrity endorser in their advertisiment or promotion.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

There are four constructive findings that can be concluded from the overall result in this research, which are listed as follow:

1. Attractiveness, trustworthiness, and expertise of celebrity endorser simultaneously and significantly influence to youth consumers' purchase decision on apparel products of adidas.
2. Attractiveness of celebrity endorser has significant influence to youth consumers' purchase decision on apparel products of adidas.
3. Trustworthiness does not have positive influence on consumers' purchase decision and it does not have significant influence as well.
4. Expertise of celebrity endorser has significant influence to youth consumers' purchase decision on apparel products of adidas.

Recommendation

There are two practical recommendations that can be concluded from the overall result in this research, which are listed as follow:

1. The marketers of apparel products of adidas must consider about the importance of attractiveness and expertise of celebrity endorser, about how to implement it effectively in the advertising and promotion system if they want to gain the market of youth. Because according to the result of this study, those two factor have significant influence through the mind of youth consumer.

2. Will be better if adidas choose the endorser wisely, based on these factor, whether if the celebrity endorser has good physical appearance, experience and ability in certain sport or maybe both of them if they want to gain the market of youth.

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