THE EFFECTS OF CELEBRITY ENDORSEMENT ON BRAND REPUTATION AND CONSUMER BEHAVIOUR AMONG UTAR STUDENTS

BY

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ABSTRACT

Celebrity endorsement has emerged ever since the industry became highly competitive, brands use it as a marketing strategy to maintain their reputation and an influence on consumer behaviour. While it is a prominent and efficacious tool, the actual impact can be caused by celebrity marketing is still yet to be comprehensively studied, particularly when celebrities seem to be relatively approachable as the evolution of technology has developed from television to social media where it fosters engagement between celebrities and their followers. Therefore, this research aims to study the effect of celebrity endorsement on brand reputation and consumer behaviour among university students. In this research, a quantitative approach will be employed with the help of Google Form to survey a total of 104 students in UTAR. Social Identity Theory was employed to study how individuals extend their identity by associating with celebrity endorsements on brands and the way celebrity endorsements reinforce customer loyalty by providing a sense of belonging to the brand's community, which, in turn, influences consumer behaviour. The results show that brand reputation and consumer behaviour are indeed affected by celebrity endorsement to different levels, and that it can bring positive and negative impact. The result also indicates that brands shall be authentic and true to themselves to be sustained in the industry, not mentioning that appointing the right celebrity for brand marketing could be one of the most crucial steps for long-term success.

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NICOLETTE FOO NI EN

APPROVAL FORM

The research paper attached hereto, entitled "THE EFFECTS OF CELEBRITY ENDORSEMENT ON BRAND REPUTATION AND CONSUMER BEHAVIOUR AMONG UTAR STUDENTS" written and submitted by Nicolette Foo Ni En, in partial fulfilment of the requirements for Bachelor of Corporate Communications (HONS), is hereby accepted.

yong _____ Date: 18/9/2024

Supervisor

Ms. Yong Xin Yi

DECLARATION

I hereby confirm that the material presented in this paper is the result of my own independent work. Proper acknowledgement has been given to all sources, whether printed, electronic, or personal, as referenced in the bibliography.

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CHAPTER ONE

INTRODUCTION

1.0 Background of Study

1.1 Overview of Celebrities and Influencers

By the term celebrity, it can mean someone who is well known, particularly in the area of entertainment like films, politics, music or sport (Collins, n.d.). In a typical case, celebrities would be relatively distant and less approachable by the public whereas the followers are more likely to approach the influencers and have a more direct connection with them. In terms of followers or fans, celebrities have lesser boundaries on geographical region, age or gender while the followers of an influencer can be more concentrated on a specific group of people as they might be interested in the content that the influencers generate (Yadav, 2023). Besides that, there is a new concept called celebrity influencers where celebrity who had gained fame and recognition through traditional media has started doing online content and engage with their fans more personally, therefore employing a celebrity influencer that has high and fan base and at the same time is able to have a higher engagement with fans can be a superior choice for brands (Eksioglu, 2021).

Celebrity endorsement, sometimes known as celebrity advertising, is a prevalent marketing tactic that uses a person's fame and figure to promote a brand or the brand's products. A brand would select a celebrity whose image is aligned with the brand's desired representation; hence the image of the celebrity would be reflected onto the brand. For example, Starbucks has collaborated with Blackpink for 11 types of drinkware and six accessories while changing their signature green-white logo to black and pink, selling the products across Asia-Pacific region

from Hong Kong to Vietnam (Wang, 2023). The senior vice president of Starbucks Emmy Kan emphasized that the boldness and authenticity of Blackpink represents an unstoppable force that Starbucks wants to incorporate into them. The products have sold out within 3 hours of releasing, which led to a crash on Starbucks online store (Wang, 2023). Therefore, by choosing the correct celebrity to endorse a brand, the sales and brand recognition can be significantly increased. Celebrity endorsement has an extensive history which can be traced back to when Pears Soap built their brand issuing in the form of Royal warrants and by putting Lily Langtree who was an actress on their posters. Clearly brand endorsements have come a long way even when the royalties were playing the role as a guarantee by issuing their warrants and the people with fame just showed themselves in advertisements, merely representing their image for the brand (Yakob, 2022).

In recent years, most brands have employed celebrities with multi-million pay to collaborate with them in order to retain their image, associating with the celebrities. For instance, the remarkable singer songwriter Taylor Swift has endorsed Diet Coke for 26 million USD (122.2 million MYR) from 2013 until 2019 while Beyonce was endorsing Pepsi for 50 million in 2002 for more than 10 years (Dimitropoulou, 2021). It is obvious that brands are willing to spend millions of dollars on celebrity endorsement with superstars as a form of marketing as it can increase visibility to a heightened level. According to Marnewick (2023), celebrity endorsements appeared in 20% of all advertisements and this marketing strategy is found to be boosting 20% to 40% of consumer trust and product sales. On top of that, businesses stock has seen to increase 4% after being endorsed by a celebrity.

1.1.2 Overview of Brand Reputation

According to Sickler (2023), brand reputation is built up by the collective opinion, trust, and understanding of a company image. The founder of the well-known cosmetics brand Elizabeth Arden once said, "repetition makes reputation, and reputation makes customers", the actions of a brand has unconsciously built up their reputation for it is good or bad. Continuous actions like sustainability efforts, attitude of customer service, social responsibility, and quality of products and services are what makes up the reputation of a company. Therefore, when one is looking for a product, the person will look for the brand's established reputation or their trustworthiness. For example, the products of Apple do not necessarily be superior to other digital devices brands, however, it has been on the top of the game for years and there is still no sign of it fading yet. According to Deloitte (n.d.), over 25% of a company's market value is determined by its reputation on average, and as high as 87% of executives consider that maintaining reputation is more critical than other risks. Moreover, the younger generation is looking for brands that align with their social awareness level such as sustainability practice and carbon footprint. Thus, it is essential for brands to maintain or improve their reputation to be the primary selection of their potential customers.

Ultimately, if brands are successful at building brand reputation, they are one step away from building brand loyalty. They achieve brand loyalty when the customers not only purchase more, but also to influence their behaviour and patterns, and hopefully to persuade their friends and family as well. In other words, loyal customers are helping the brand to free marketing as word of mouth was found to be one of the most effective marketing tactics, where as high as 88% of consumers believe the people around them more than the information from traditional media (Hayes, 2022). In this case, the brand is earning more revenue from just maintaining their

reputation. Furthermore, investors are also prioritizing brand reputation as they take reliable growth of a business seriously. Sickler (2023) has mentioned that 39% of executives believe that shareholders' trust would be affected by search results online. With that being said, the brand is risking losing shareholders from reputational risks that might spread online.

1.1.3 Overview of Consumer Behaviour

According to Bhasin (2023), consumer behaviour refers to the pattern of behaviour and the process of making decisions. Understanding consumer behaviour can effectively influence their decision-making processes by personalising marketing strategy for the target group of customers, and also cater their products or services into the most desirable end results to increase impulsive purchase. Besides, companies can get to know what exactly the customers desire, why they are looking for it, and how often they purchase. In turn, it makes it possible for brands to better marketing and communication which eventually influence how customers see the brand. For example, a company that sells cosmetics products might have recognized that their customers are more likely to try on their products before purchasing it, therefore they are able to utilize this information to enhance their marketing strategy offline.

By comprehending consumer behaviour, brands can effectively reduce the retention rates that may be caused by hidden problems. There might be factors that stay unnoticed which prohibit the growth of the company or worse, affect their reputation if the issue has been prolonged. As a case in point, if companies started to value the answers for feedback and reports from customers, they can not only discover the unseen obstacles that annoys customers, but also ensure customers feel valued. As a result, brands can build brand loyalty from the customers once the customers are satisfied with the products and services (McFee, n.d.). Brands can also interfere to influence stages

of the purchasing process given that they understand the factors that may hold customers back from buying.

In addition, one of the most important factors is that brands are capable of predicting trends in the near future if they understand the behaviour of their customers enough. This is because brands understand the needs and wants of the consumers and due to this reason, brands can also predict other products that customers may want by referring to the products that they just bought. Likewise, by predicting the trend, it enables brands to always stay relevant to the customers. This is essential for companies to keep their customers to themselves and be the top in the industry, which then could optimize customer engagements, meeting expectations, hence gaining advantage in the competition (Think Straighter, 2022).

1.2 Problem Statement

As prominent personnel, celebrities can often influence others and their choices, opinions, world view, or even life path. There used to be a time where celebrities can only be seen and fantasized about on television, nevertheless celebrities have started to gain millions of followers on social media in recent years as they begin to share their stories and promote brands on their account. With the easy access to take a peek into their life, the scale of influence to the public is greater than ever before. The special capability of grabbing the attention of celebrities can curate our collective viewpoints without our acknowledgement, whether it is about trends, viral dance moves, endorsement of political figures, or fashion choice (Williams, 2023). The same goes to influencers on social media, with studies showing that over 50 million people around the globe think that they are influencers, and 5 billion USD (23.5 billion MYR) were invested into creator space alone last year. It is also predicted that the sum of total creator economy market size will

grow to approximately 104 billion USD (488.8 billion MYR) and will continue to rise to trillions of dollars in the future (Gagliese, 2022). Nicole Quinn from global venture firm Lightspeed Venture Partners as a general partner has also mentioned that "In the same way we used to talk about technology eating the world, well, now its creators are eating the world". However, brands may be unaware of the strategic plan to opt a suitable celebrity or influencer to endorse for their brands or products, the lack of understanding may cause some drawbacks on inaccurate fit of celebrity's image and suitable endorsements.

Yet, celebrities are still in the spotlight today, and it is argued that celebrities are able to use their social media accounts to draw attention to important issues like climate change, human rights, and political campaigns. Schimmelpfennig and Hunt (2020) noted that endorsements from celebrities have put forth the image of strong brands as they are capable of infusing a brand with whatever message that public has for the celebrities. Besides, cultural meaning should also be the main focus when products or services are involved in high involvement categories and the reason why celebrities are able to endorse these are because of their high aspirational trait (Schimmelpfennig and Hunt, 2020).

According to Jun et. al. (2023), when a new brand has emerged and consumers are unable to evaluate the benefits of the new brand, consumers are most likely to embrace the benefits seen of the celebrities and reflect directly onto the new brand. Evidently, celebrities enable brands to utilize the value and image on them to build the desired image on them even when the brands are yet to be known by the public. Therefore, it is essential for brands to align themselves appropriately and look for the suitable celebrity that can bring out the effect that the brand desires.

In short, celebrities and brands work hand in hand in building a brand image with the brand carefully opting for suitable personnel with desired quality that the brand lacks to offer the public an aspiring brand. Additionally, influencers have opened up the possibility of connecting with the fans as they are able to engage with them on social media. This offers a better opportunity for brands to work with influencers if they wish to be more relatable with the public. There is still a lack of comprehensive research on how celebrities and their endorsements can affect brand reputation and the attitude or purchasing intention of a consumer. Therefore, this research aims to investigate the impact of celebrity endorsement on brand reputation and consumer behaviour, with a particular focus on understanding Malaysian university students.

1.3 Research Questions

RQ1: What is the impact of celebrities on brand reputation?

RQ2: What is the impact of celebrities on consumer behaviour?

1.4 Research Objectives

This study aims to investigate the relationship between celebrity and brand reputation as well as consumer behaviour among university students. Hence, the specific objectives of the study listed below.

RO1: To examine how celebrities affect brand reputation.

RO2: To analyse how celebrities influence consumer behaviour.

1.5 Significant of Study

1.5.1 Methodological Significance

The utilization of quantitative research can benefit society by allowing how individuals identity and group themselves into groups according to their shared features or interests and how they can determine how these groups have shaped their attitudes and behaviours. For example, individuals supporting a particular brand due to the collaboration with the celebrity that they identified with or merely for the brand itself can be examined. Thus, insights of how underlying social identity process can influence consumer intention and behaviours and how brands can utilise the findings to develop a better perspective and candidate in displaying their endorsement to the public.

1.5.2 Theoretical Significance

Social Identity Theory provides a unique understanding of how celebrities possess the power to influence the public as a whole by sorting them into in-group and out-group as society group themselves into groups according to their own values and beliefs while treating it as part of their self-identity. The implementation of this theory onto this research can supply data of how celebrities can influence the public with their self-identification hence able to help brands in predicting the outcome of selecting different celebrity and its possible output. Moreover, brands are capable of leverage positive image by understanding how social comparison could be happening among the fans of the endorser and the non-fans, and to grasp the plausibility of intergroup conflict from happening due to in-group favouritism and out-group discrimination, though the former may not exactly be the cause of the latter.

1.5.3 Practical Significance

In terms of practical applicability, this research is helpful for practitioners in marketing and brands that wish to change or grow with the help of celebrities' image. Other than that, businesses can also be benefitted by understanding how their consumers' behaviour would be affected by celebrity endorsements and what they can do to meet or exceed the expectations of consumers in order to be prioritized by them. Therefore, businesses in Malaysia can remodel or reconsider their business to fit into the expectations or standards of Malaysians to maximise profit. The fact that Malaysians, especially youngsters, always follow their favourite celebrities and influencers on social media, the odds of them being influenced by celebrities' and influencers' choice is favourable.

Moreover, continuous study on the influence of celebrities on brand reputation and consumer behaviour must be studied from time to time to ensure an up-to-date result and the incoming trends. This is because the young adolescents are what builds the future markets, while Jun et. al. (2023) has noted that brand endorsers like celebrities are playing the role of secondary source of how the public associate the brand, the correlation between them has to be studied further to obtain more information. Schimmelpfennig and Hunt (2020) stated that brands are having a higher difficulty to place themselves as different than other brands in terms of quality and reliability. As a result, brands are forced to advertise their brands symbolically instead of using rational attributes. One of the symbolic approaches is to emphasize on emotions, and to understand how consumers feel about different celebrities.

In short, this study unveils the effect of celebrities on how the public associate the brand with, and how consumer behaviour and purchase patterns can be affected by celebrities' choices and

endorsement. It has been barely studied in UTAR, and by studying this phenomenon, brands can better position themselves and contribute to the academic world within non-western context.

1.6 Chapter Summary

In conclusion, this chapter encloses the background of celebrity endorsement in recent years, and importance of brand reputation as well as consumer behaviour. In addition, the problem statement, significance, research objectives and research questions, the definitions of this research have been explained.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter defines the Social Identity Theory and how it has been applied to similar subjects and the previous research related to celebrity endorsement field.

2.1 Celebrity Endorsement

2.1.1 Types of Celebrity Endorsement

According to Bones (n.d.), there are three types of celebrity endorsement forms. To begin with, one-off celebrity deals happen when they are expected to only promote a product or service for once, whether it is online or at a public space. This type of endorsement is relatively cost effective and safe as the image of the celebrity would not be associated with the brand for a prolonged period. Other than that, brands can also send out their products to the celebrity for free in hope for a free promotion on their social media account, these are called unofficial deals which are also known as celebrity placement. While this may seem convenient and free of cost, it is not guaranteed that the celebrity would be willing to collaborate in this event. Furthermore, long term celebrity deals are uncommon, it usually occurs when a brand is prepared to stay in a committed deal with a celebrity whose fame and image is being recognised and have sufficient staying power in the industry. For example, Sofia Vergara is in a long-term deal with Procter & Gamble and Heineken has been in a long-term deal with Neil Patrick Harris from 2013. Brands can also opt for traditional celebrities like film actors, actresses, professional athletes and singers, or new media celebrities such as digital influencers or internet celebrities. While new media influencers may not have the international recognition

compared to traditional celebrities, the costs would be relatively lower meanwhile targeting a specific demographic of consumers (Hashaw, 2019).

2.1.2 Effects on Brand Reputation

Celebrity endorsements on brands often affect the brand according to the image of the celebrity. While larger companies more often do celebrity endorsements, it is rising within the smaller companies as well, as celebrities are able to build credibility and increase brand exposure to new markets. Besides, sales and stocks can rise by 4 percent after the brand signs a celebrity endorsement (Hashaw, 2019). For example, Pepsi's stock has risen by 2% after being endorsed by Spice Girls group (Soleimani et. al., 2020). Moreover, Soleimani et. al. (2020) has found out that there is a substantial relationship between celebrities' credibility and the reputation of the brand they endorse for, and favourable attitude is generally produced along with the endorsement which eventually could increase consumers' intention to purchase a product. It is mainly because as a public figure, attaching celebrity's name is risky as they are basically reassuring the quality of the brand's products with the celebrity's reputation and image. A brand will gain more benefits and automatically reflect the traits of the celebrity who endorses the brand if he or she possesses traits such as trustworthy, reliable, and successful because celebrities typically hold a high level of trust between them and their fans. Brands can also leverage the fame and recognition of celebrities and can easily get access to new markets by partnering with the correct celebrity. Nike for instance, has partnered with Michael Jordan in expansion of business which led to a successful partnership that ends with a new subsidiary company (Kraft, 2018). Celebrities can influence brand reputation by empowering brand meaning, both positive and negative. In the event of mismanagement, celebrities are tending to overshadow the brand as consumers might put full attention to the celebrity instead of the

brand itself. These cases are susceptible to celebrities who have multiple brand endorsement at one time, the number of times consumers come across the celebrities on different brand advertisements can cause devaluation of the brands (FrogDog, 2020). With the increase of brand endorsement that one celebrity is having, it may hurt their credibility as consumers expect a celebrity to filter the brands before endorsing it rather than doing it for the sake of money. Furthermore, having a celebrity endorsing a brand can be costly not only in the form of money but also how they would affect the brand's image with their actions. For example, as high as 2% of market value was lost among Electronic Arts, Nike, and PepsiCo after their endorser Tiger Woods's infidelity was found (Harvard Business Review, n.d.). Scandals like these can cause backlash or leave a permanent negative impression on brands if they do not draw a line in time after discovering the negative behaviour of their endorser that may harm their reputation. Although the image of a celebrity will cast upon the brand during the endorsement period, study has found that the influence of celebrity-brand congruence is more influential than merely positive attitude toward endorser (Min et. al., 2019). The matching effect of a celebrity and a product or a brand is more efficacious in producing believability of the celebrity, as many sees celebrities as their friend, even if they have not met each other in real life before. It is only logical for the brand and their endorser to be aligned with each other in terms of expertise and image, and on top of that the greater the pair matches, the better the feedback and response from consumers would be speaking from purchasing intentions and attitude (Min et. al., 2019).

2.1.3 Effects on Consumer Behaviour

Even though celebrity endorsements have been successful on a large scale, it can still be a risky venture for corporations as any negative effects can happen before, during or even after the endorsement and occur in varied forms. However, the attractiveness, expertise and trustworthiness of a celebrity can significantly increase the recalling rate and brand recognition among consumers, and ultimately affect their purchasing behaviour. This is because consumers tend to associate themselves with advertisements and celebrity thus boosting their desire for ownership (Frimpong et. al., 2019). On the other hand, Basiouny (2023) mentioned that celebrities do not affect consumer behaviour by fame, but with psychology and evolutionary factors. They then did an experiment where they tracked the participants' eye movements and pupil dilation while watching snack advertisements with celebrity and non-celebrity. It was revealed that people are inclined to pick products that are endorsed by celebrities and are more confident about their choices. This can be supported by Hani et. al. (2018) which found out that the credibility of the celebrity as endorser would have a positive impact on the recalling rate among consumers, while the fame and esteem of the celebrity can also invoke their purchasing intention of the promoted brand. It indicates that celebrity endorsements are building confidence in consumers and are able to persuade consumers by implying that the products are the first choices of the celebrities. Nevertheless, this might not work on the Generation Z (Gen Z) as they have growing insecurities towards celebrities and tend to be sceptical of celebrity endorsements. Other than celebrities, a CEO or manager of a company could possess celebrity effect as well, having significant impact on cognitive process and the engagement of consumers, the celebrity effect include expertise, trustworthiness, and attractiveness (Qiu et. al., 2021). CEOs are generally deemed to be experts in their industry,

and having attractiveness to a certain level could help in empowering the brand image similar to celebrity.

2.2 Taylor Swift Endorsement and its Effects on Brand Reputation and Consumer Behaviour

Often being called 'the music industry', Taylor Swift has had a historical impact on the music industry for 17 years since her debut, but her success does not just limit within the music industry but also presenting herself as a successful businesswoman and branding icon. According to Mcintyre (2021), Taylor has the largest and most committed loyal fanbase in the world, supporting her for every decision that she makes including rerecording all of her early 6 albums. Some of the brands that Taylor endorsed for are Keds, Wonderstruck perfume, Covergirl, L.E.I jeans, Got milk, Diet Coke, Target, Sony Electrics and Apple Music. In fact, the music commercial that she appeared in for Apple Music was after she defended other artists for royalty amount in the trial months (Mishra, 2023). She was shown across print, television and digital platforms for the endorsements. These endorsements made up a small part of her net worth of $1.1 billion (5.17 billion MYR), as of October 2023. It is important to note that she has rejected a $100 million (470 million MYR) sponsorship deal by FTX, because of her diligence as it saved her from a lawsuit which involved other celebrities (Srinivasan, 2023). However, the brand endorsements still contributed an estimated $400 million (1.88 billion MYR) into her net worth (Kihn, 2022).

Looking at her impact on consumer behaviour, it can be observed the increase of Taylor's alleged boyfriend Travis Kelce, a Kansas City Chiefs in his Campbell Soup advertisements by 287%. Similarly, his jersey's sales have surged from the 19th to top five after her attendance at one of the games, along with campaigns gaining a rise of 57% featuring Taylor and Travis (Lewis, 2023). A small local business has experienced the Swift's heat after sweatshirts that were similar

to the one Taylor wore has become out of stock in 12 hours with most sales made within the first hour of releasing. At the same time, Harrington, the owner of the business has also caught the opportunity to create as much Taylor Swift content online as possible, which received more than 800 likes per post on average, with the past posts sitting at fewer than 100 likes. The Swift shock was also experienced by a Los Angeles-based upcycled clothing retailer called EB Denim, whose Polka Dress was worn by Taylor Swift to the afterparty of MTV Video Music Awards and another long EB Denim Jacket worn during the outing with Sophie Turner in the same week. It has skyrocketed the sales by 1,000 percent year-over-year, with the founder Elena Bonvicini expressing her joy saying that Kendall, Kylie Jenner, Hailey Bieber and Ashley Graham that all worn the creation that she personally designed, but they could not compare to the rise that happened because of Taylor Swift (Sladovnik, 2023). Taylor Swift has also affected the small businesses positively, with small businesses owner Harrington receiving positive responses from new audiences and answering questions from new customers about sizing, pace of selling out items, and limited stocks, the owner even starts to plan about expanding the boutique physically. Moreover, business owner Bonvicini also benefitted from the mass attention as she is running a business focusing on sustainability. She utilizes the advantage of media momentum to educate, reintroduce and highlight her business and their unique selling point, showcasing her brand as a whole (Sladovnik, 2023).

Other than supporting international and local brands, Taylor Swift is also a brand herself. As the Prophet's Chief Executive Aaron Kwittken said, "Taylor Swift is nearly unimpeachable as a human, role model and brand", the sustained success after 17 years into her career, she is known as the master of branding. The evolution and ever-changing essence of her brand 'Taylor Swift' often being relatable to the public through her craft of melodies and lyrics. One of the techniques

that she uses in her songwriting is story telling method, applied in the song 'you belong with me' proficient use of three-act structure that usually reserved for films has shown in the song and resonated with her audience to an emotional level. Compared with the business setting where Steve Jobs who was the vision of Apple incorporated storytelling in his product launching, making technical demonstrations captivating to the audience (Nolan, 2023). The fact that she embeds baroque ciphers into her lyrics, captions, and her speeches encourages her fans to get more interactive and to engage on a deeper level, one of the commentators even said that people treat Taylor's albums like a Da Vinci code. Fans of Taylor can sometimes get overwhelmed and make false guesses, such as predicting that she will be at the half-time show at the Super Bowl after a mistake of the NFL making an announcement at midnight, relating to her latest album (Kihn, 2022).

Although some may not be her official partner in endorsement, the impact on brand reputation and consumer behaviour can be demonstrated clearly through all the cases of small local businesses and branding as her own self.

2.3 Social Identity Theory

The concept of celebrity endorsement and its effects on brand reputation and consumer behaviour could be well explained by Social Identity Theory (SIT).

2.3.1 Definition

Henri Tajfel, the founder of Social Identity Theory and a cognitive psychologist, conducted research on the essential criteria for the formation of a group and the basic requirements for in-group favouritism to happen. The participants were separated into two groups in their preference for two painters, and they were to allocate some money to anonymous members between both

groups. The results have shown that favouritism occurs towards in-group members even when the group structure merely existed in participants' minds, where it is truly minimal. He concluded social identity as a part of an individual's self-concept that derived from his acknowledgement of his membership in groups along with the emotional attachment to the membership (Scheepers & Ellemers, 2019). SIT is the theory focused on the interplay of identities between personal and social, its purpose is to differ and predict the conditions where individuals view themselves either as unique individuals or one of the members of a group. This theory also examines the outcome of behaviour in group and personal settings, how cognitive processes and social circumstances have an impact on intergroup behaviours, particularly the ones associated with prejudice, bias and discrimination (Mcleod, 2023). Founded by social psychologist Henri Tajfel and his colleagues, they assign people to groups randomly and arbitrarily and ask them to award points to each participant. They found that the participants rated higher points to their in-group members compared to out-group members (Ellemers, 2023). This shows that despite the lack of systematic grouping, participants could still exhibit group sentiments rather than viewing themselves as distinct individuals. This finding was perceived as deviation as people thought that intergroup conflicts were mostly due to divergent interests (Ellemers, 2023). Known as group-based identities, members tend to increase the distinguishing features and exaggerate the differences between groups. A 'competition for positive identity' could occur to maximize self-evaluations, and it is directly affected by the treatment of out-group members. Forming an alliance with in-group members can amplify self-esteem as pride and image of the group and their achievements are reflected on the individuals accordingly. (Mcleod, 2023).

Social identity theory is built on three fundamentals: social categorization, social identification, and social comparison, and describes how social identity can be more important

than individuals' personal identity. The first process, social categorization, is the procedure of categorizing individuals into different social groups by labelling people based on their social categories and defining them, similarities would be emphasized in the same group. This leads to the second process called social identification, where individuals accept the identity of the in-group and try to behave as they believe the group members should behave. For example, an individual who identifies as animal lovers will perform acts of caring towards animals, or to join protests for animal rights. As a result, their feelings are reinforced with their group membership. Lastly, the social comparison stage is when people compare their group and other groups in relation to prestige and social status and feel a boost in self-esteem when their social standing is higher than another group (Vinney, 2019). To maintain the social standing of one's group, there often are 3 ways to act on it. Firstly, individual mobility, the individual finds way to enter to a higher social standing group; secondly, collective action, the whole group work together to improve as a group in terms of cohesion, team spirit, thus be more capable to success together; the last one, socially creative, to change one's mindset and perspective, looking at the brighter side of the condition (Scheepers & Ellemers, 2019).

In real life, people are more likely to categorize themselves into various groups according to different aspects of life, however, the ingroups and outgroups are fluid, meaning that it can be changed overtime, or under the influence of the environment. Some of the aspects that can be categorized are nationality, race or ethnicity, religion, political beliefs, age, musical preference, gender, and educational institution. In-group favouritism can lead to discrimination towards the out-group, but it is not necessarily the case, it can be a distinctive group having nothing to do with other groups. Being a member in groups can provide a sense of belonging, sense of purpose, enhance self-worth, and offer a framework for identity. For example, a member of a meditation

club can feel a sense of unity and showing support for each other, hence improving their emotional state during unfortunate times (Mcloed, 2023).

2.3.2 Theoretical Framework

Henri Tajfel, the founder of Social Identity Theory and a cognitive psychologist, conducted research on the essential criteria for the formation of a group and the basic requirements for in-group favouritism to happen. The participants were separated into two groups in their preference for two painters, and they were to allocate some money to anonymous members between both groups. The results have shown that favouritism occurs towards in-group members even when the group structure merely existed in participants' minds, where it is truly minimal. He concluded social identity as a part of an individual's self-concept that derived from his acknowledgement of his membership in groups along with the emotional attachment to the membership (Scheepers & Ellemers, 2019). Social Identity Theory is used in this research due to the suitability in the context where fans of the celebrity are separated into different groups, and how their behaviour would be influenced by their membership of the group. Furthermore, the methods that the fans opt for during the negative period during endorsement period can be investigated. Individuals that group themselves as part of celebrity might absorb and accept the symbols that the celebrity represents and could gain some level of social status through the identification process with a desirable celebrity (Carlson et. al., 2020). As a result, the consumer attitude and behaviour might change along with the experience and emotions they gain while identifying with the celebrity, particularly given that consumers consider celebrities as friends although they have not actually met. In other words, the stronger self-identification with the celebrity which leads to stronger preference to the celebrity, thus brings a higher chance of a positive outcome. In the research of Hani et. al. (2018), they have employed source-based theory such as Source Attractiveness Theory and Source

Credibility Theory, focusing on the closeness of celebrity to brands' consumers and the trustworthiness of the endorsers themselves. The researchers utilized five-point Likert Scale to measure level of endorser attractiveness, endorser credibility, and the impact on ad recall and purchase intention of the consumers. Besides, Stimulus-Organism-Response theory has also been used in the research of Min et. al. (2019), it is the state where individuals are stimulated by cues of environment or stimuli and how it affects the emotional state of the individual. In this particular research, they utilized advertisements and publicity as stimuli and its effects on the process of forming opinions, thoughts, and emotions. The results indicate that individuals do show a positive attitude towards publicity, viewing the brand as more attractive. In the same study, balance theory has also been used, it studies interpersonal relationships and how people seek psychological balance among all the relationships and opinions around them. It assumes individuals possess consistent motivation, which is the need to preserve their values and beliefs over the years (Psynso, n.d.). It applies to celebrity endorsements as the preference of a celebrity will cause the individual to like the product endorsed more to maintain psychological balance. The results suggest that the existence of two positive links on a balanced state such as publicity and preference towards the celebrity would positively influence consumer's buying intention (Min et. al., 2019).

Social Identity Theory was used by Carlson et. al. (2020), concentrating on consumers and the effectiveness of an endorsement. They have found that identification with the endorser is an important predetermination of a successful endorsement. It is worth noting that the identification of consumer to endorser is more significant than fit of product and the endorser, therefore the purchasing intention of consumers does not only depend on suitability of the celebrity endorsing the brand, but the self-group with celebrities counts in as well. However, some researchers came up with their own models based on classical theories like the trustworthiness, expertise,

attractiveness, respect, and similarity (TEARS) which is employed by Aljasir (2019) that concentrates on endorsements on new media. The results indicate that classic theories barely fit in the new media circumstances as individuals have developed critical thinking, recognizing that celebrities are only endorsing the product, contrary to the three-stage model stating that celebrities ought to be physically attractive, trustworthy, and familiar with the product for endorsements to be successful. They are able to identify that endorsements are not an accurate reflection of celebrities' choices.

SIT can be used in this research considering that the dynamics of Taylor's in-group and out-group can be examined by identifying fans and non-fans groups and their linked behaviour towards endorsements. Other than that, investigation of fan's self-identity and how they align with Taylor's image or her endorsements, and the presence of in-group favouritism or out-group discrimination, the effects on the brand loyalty affected by Taylor Swift as well as engagement fans perform in social comparison out of the recent status of Taylor Swift and her endorsements. For example, fans of Taylor may be supporting her endorsements by purchasing products and promoting it by word-of-mouth. Fans might also be influenced by the group norms and culture, thus conforming to the norms by supporting Taylor, which is to predict consumer attitude and behaviours.

2.3.3 Conceptual Framework

The conceptual framework in this study serves as a guideline to put the focus of this research into three variables as shown in the illustration below. It involves the celebrity endorsement acting as the independent variable, which is mediated by social identity. It refers to the personal or group association within an individual towards a celebrity or a brand community. The mediator explains how celebrity shapes brand reputation and consumer behaviour, which are the two dependent variables. Brand reputation encompasses the overall perception and trust of the consumer, while consumer behaviour relates to their purchasing behaviour and advocacy for the brand. This framework provides a structured approach to the interactions between the elements.

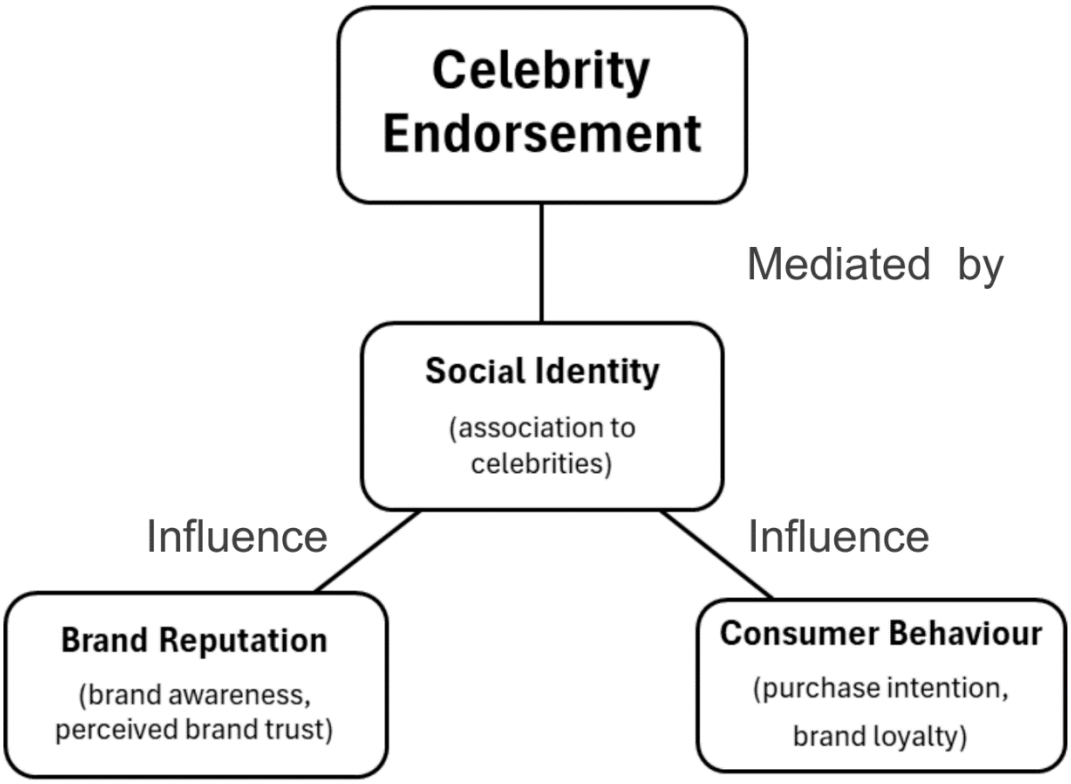


Figure 2.1

2.4 Chapter Summary

This chapter has disclosed information of how SIT can be applied to investigate celebrity endorsements and its effect on brands and consumer behaviour by providing a structural approach, it highlights the relationships between different elements to aid in the overall understanding of the collective outcome.

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This chapter elucidates research methodology that consists of research design, population and sample, ethical consideration and data analysis methods. Adopting a methodology provides a structure for data collection and analysis, increasing the accountability of a research while keeping on track with research objectives. Therefore, making it easier for researchers to manage the research smoothly (Rupesh, 2023).

3.1 Research Design

To understand the effects of celebrity endorsement on brand reputation and consumer behaviour, this research has utilised a quantitative approach. It is defined as the process of analysing numerical raw data with particular techniques to answer research questions of who, how, how many, where, when and so on (Apuke, 2017). In simple words, quantitative research works by gathering useful data to explain social or world phenomena or issues. It looks at the cause-and-effect relationship of an issue, therefore predicting the outcome and generalising the result to a wider population. Common areas of this research method being utilised are psychology, economics, sociology, and marketing (Sreekumar, 2023). Oftentimes quantitative research outcomes are more reliable as the respondents answer only close ended questions without room for ambiguity hence it can also be reused into another relatable research. According to Sreekumar (2023), secondary data from other main sources includes the internet, government sources, public libraries, and public information like newspapers, journals, and radio.

The close-ended questions that are used in the quantitative research are helpful and more convenient for the respondents as the questions typically require less cognitive energy to answer, where the answers provide clues of the expectations from the researchers, therefore lower pressure to offer input (Desai & Reimers, 2019).

There are three sections in the survey: Section A for demographic questions, Section B Likert scale questions asking how celebrities affect brand reputation, and section C on getting respondents' opinion on how celebrities affect consumer behaviour. The survey is built on Google Form and being disseminated to UTAR students via social media. Each question in the survey was provided with minimum two choices and Likert scale questions for section B and section C came with 5 choices: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, and 5 = Strongly Agree. Respondents can either choose to agree or disagree on a statement, or to simply choose 'Neutral' when facing a dilemma. Number of question wise, there are 3 questions about age, faculty and if respondents are a fan of any celebrities. Section B and C contains 8 questions each in the form of Likert scale where respondents can indicate their level of agreement to each statement relating to the research objectives.

This survey was distributed to 100 UTAR undergraduate students aged between 18 to 25. According to Memon et. al. (2020), 100 respondents are needed generally for most research situations in terms of simple regression analysis. It would take 5 to 10 minutes for students to complete the survey and for ethical purposes, they have been informed of data confidential policies before beginning the survey.

3.2 Population and Sample

This research concentrates on undergraduate students aged 18-25 from UTAR. Besides, the respondents have to be full-time students enrolled in UTAR and are currently or have kept up with celebrities' activities to obtain useful information regarding the research purpose. In other words, students who do not keep up with celebrities' activities will be excluded from participating in the survey. The purpose of targeting UTAR undergraduates ageing 18 to 25 is because a large part of them is the primary demographic group affected by celebrity endorsement. According to Soocial (2024), 3 in 10 young adults aged 18 to 34 said celebrity endorsement has been impacting their purchase intentions, and that is about 28% of the demographic group.

Convenience sampling was utilised to distribute survey links to UTAR students via social media. They will be invited to participate in this survey if they have met the basic requirements mentioned. While convenience sampling may limit the representative of actual groups, however given the time and resources constraint it is deemed the most appropriate sampling method. This is because it can be a quick and simple data collection method without needing to spend any money while collecting large amounts of samples in short periods. Other than that, the samples are readily available for researchers to approach or to add more participants anytime if necessary (Simkus, 2023).

3.3 Ethical Consideration

An explanation and declaration were given to respondents regarding research objectives and purposes beforehand, therefore they are well informed of the purpose of participation. Respondents' identities will remain anonymous, and their data will be kept strictly confidential according to privacy practices without disclosing to third parties.

3.4 Data Analysis

This process is performed after collecting responses from 100 UTAR students in the form of descriptive analysis. This method is defined by an analysis that helps in descripting, showing or summarising data in an effective manner so that patterns may appear that meet all the data requirements. It often includes techniques like table construction, standard deviation and cross-tabulation. One of its advantages is that it can be highly objective and neutral toward data, capable of providing a big picture of an event or phenomenon even when only a single variable is used. It can analyse and transform data how it is naturally, making it lies tightly with real life behaviour (Rawat, 2021). This method does not intend to make any sorts of predictions but merely reveal insights from the past, therefore it can be highly beneficial to businesses to make informed decisions. Another ability of descriptive analysis is that it can refine ineffective information, encompassing only meaningful data to the research (Pestle analysis team, 2020).

3.5 Chapter Summary

This chapter provided a constructive approach to investigate the research objectives and ensure data collection and analysis is valid and reliable to draw insightful conclusions of the effect of celebrity endorsement on brand reputation and consumer behaviour.

CHAPTER 4

FINDINGS

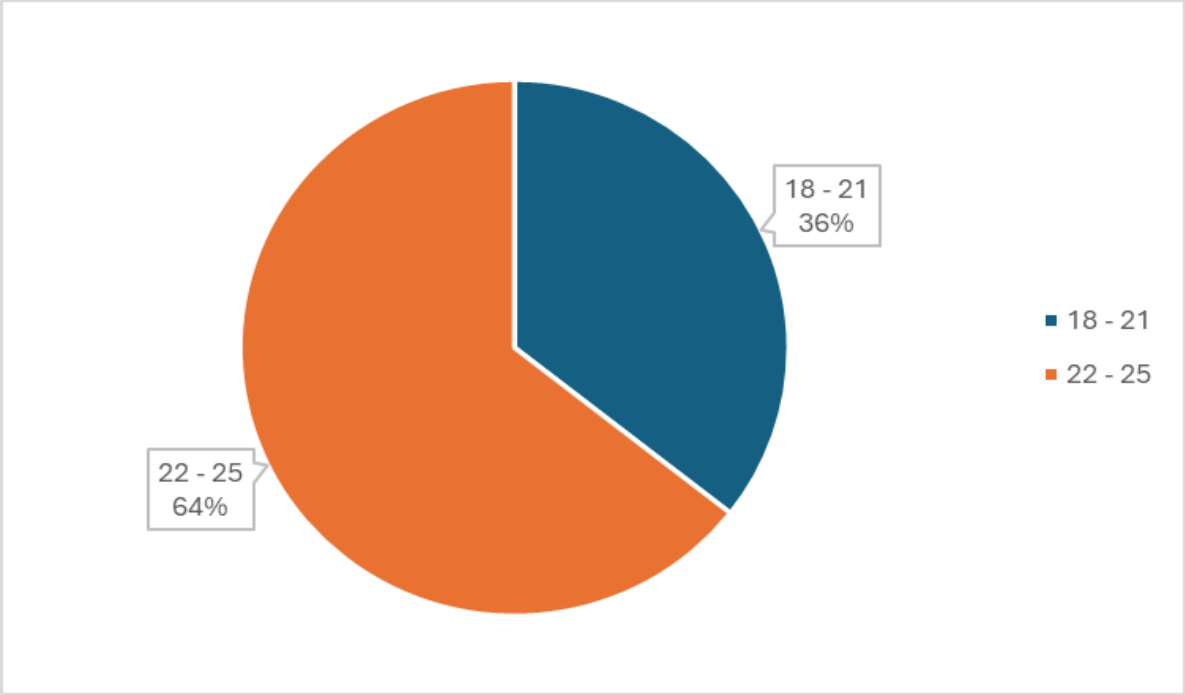
4.0 Introduction

This chapter analyses the survey findings from 100 respondents that submitted their responses via Google Form. There are 19 questions in total from the survey.

Descriptive Analysis

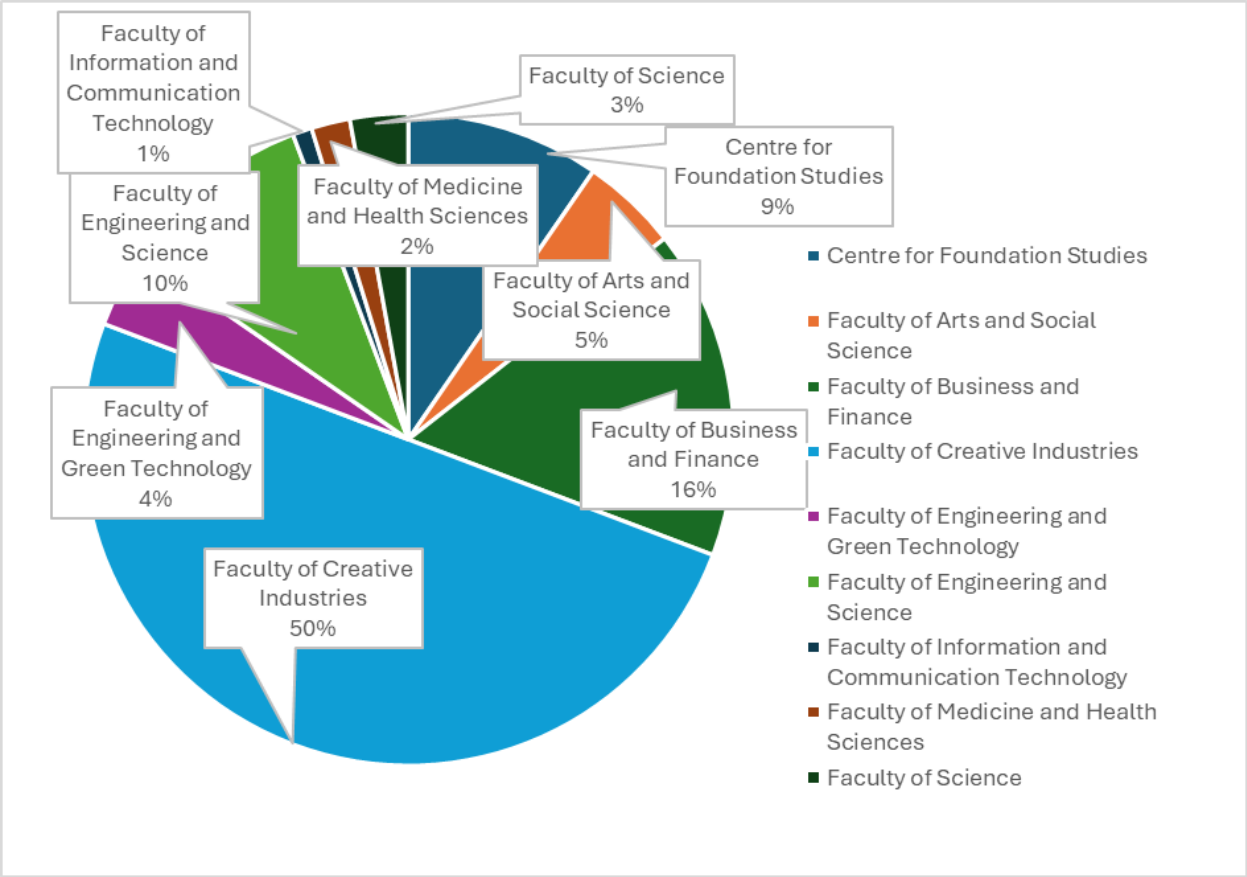
4.1 Section A: Demographic Questions

1. What is your age?



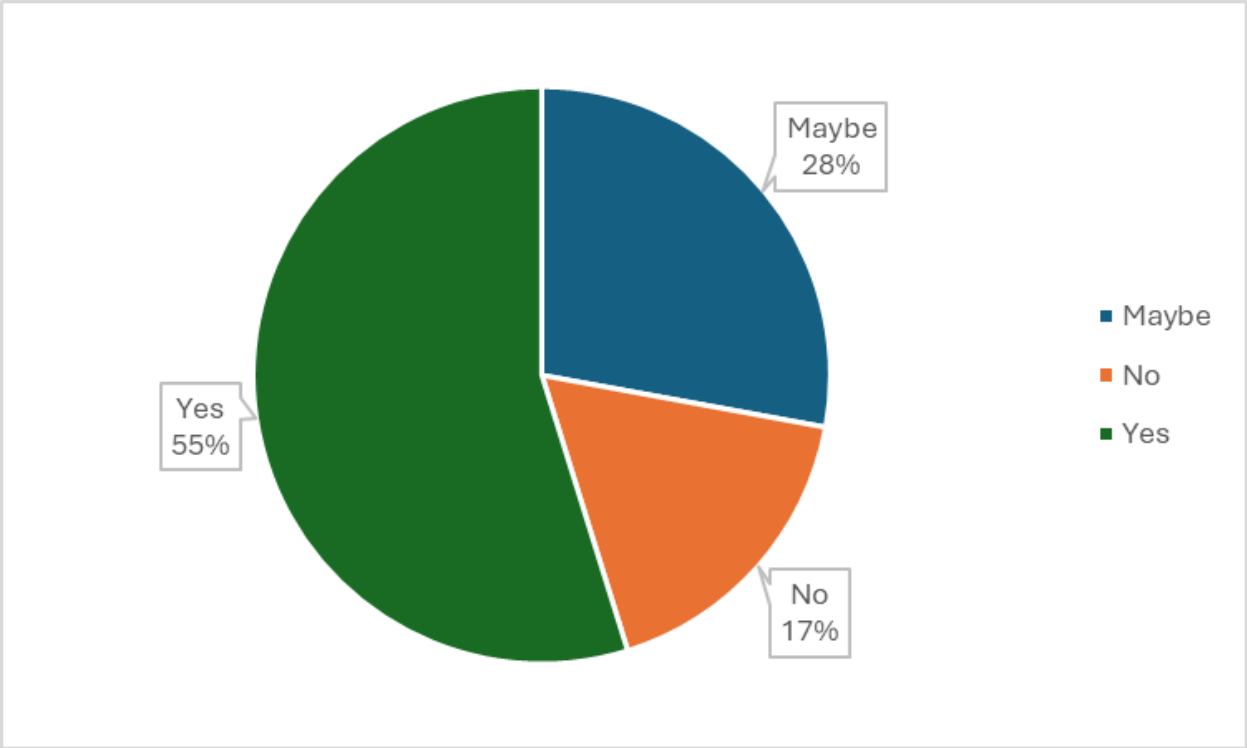
There are 64% of participants aged 22 to 25 while 36% of them aged 18 to 21.

2. Which faculty are you from?



From 104 responses, 50% of them are from Faculty of Creative Industries, 16% of them are from Faculty of Business and Finance, 10% of respondents come from Faculty of Engineering and Science, 9% of them are from Centre for Foundation Studies, respondents from Faculty of Arts and Social Science occupy 5%, 4% are from Faculty of Engineering and Green Technology, Faculty of Science occupies 3%, there are 2% of Faculty of Medicine and Health Sciences, and finally 1% from Faculty of Information and Communication Technology.

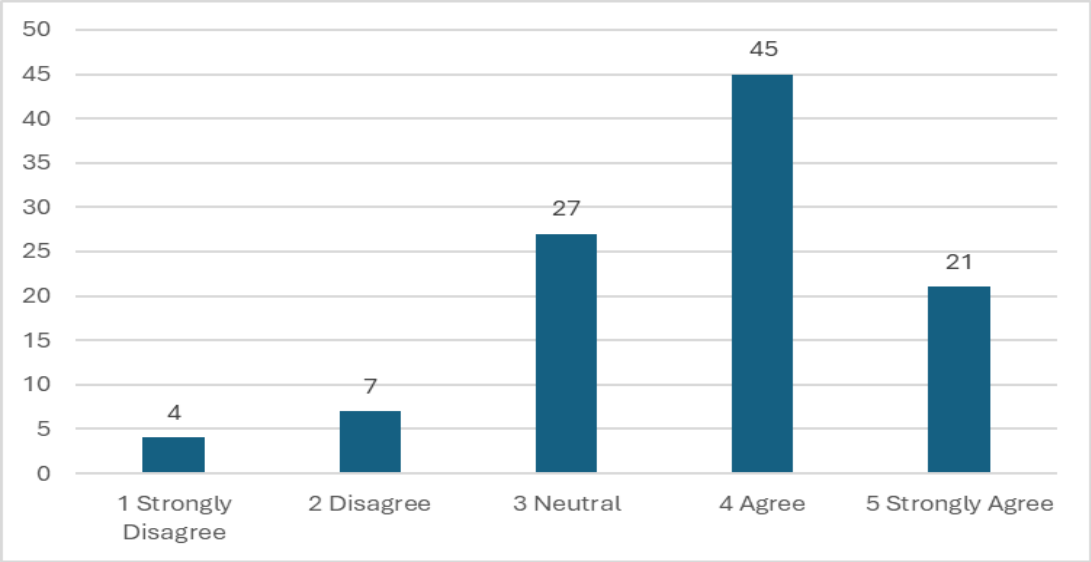
3. Are you a fan of any celebrities?



Among 104 respondents, 55% of them are a fan of a celebrity, 17% of them are not a fan of any celebrity, and 28% of respondents are unsure of the status of fan of celebrities.

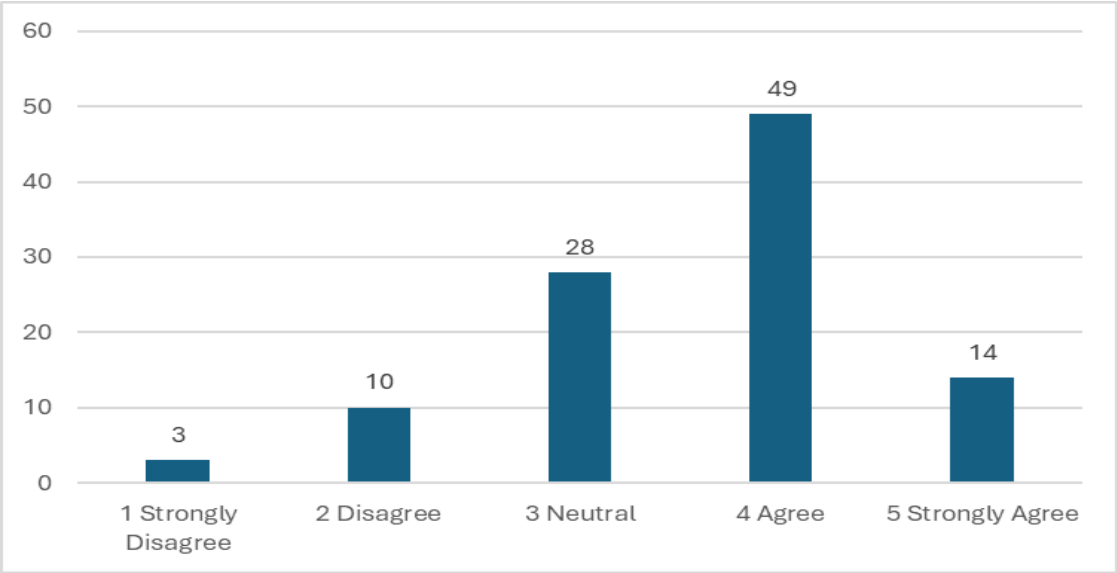
4.2 Section B (Likert Scale Questions): How celebrities affect brand reputation

1. I am aware of brands that use celebrity endorsements.



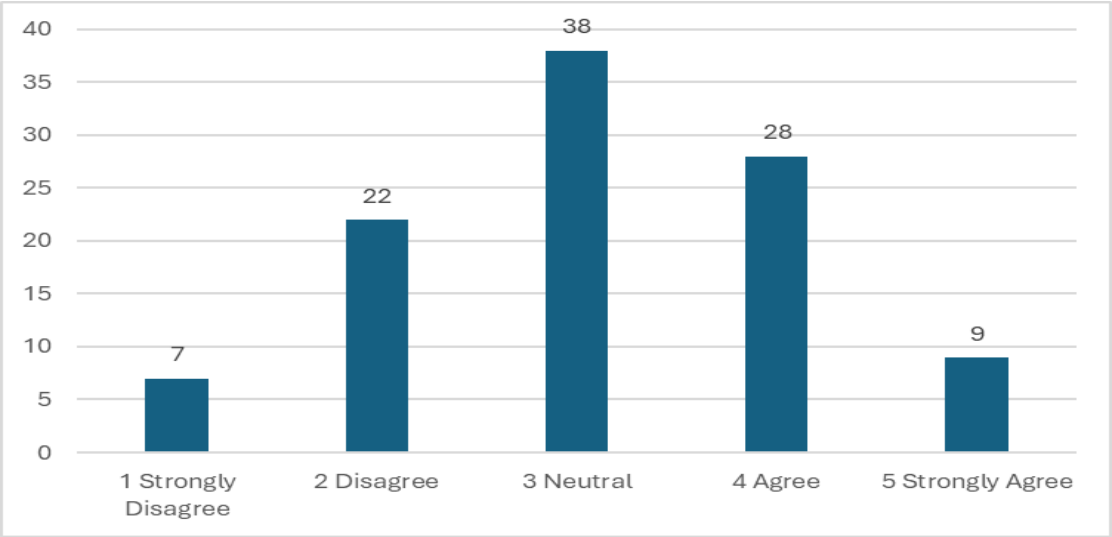
From the survey, 4 respondents strongly disagree, 2 respondents disagree that they are aware of celebrity endorsements for brands, while 27 of them are neutral to the statement, 45 of them agree and 21 of them strongly agree to the statement.

2. I have a better impression on a brand as a celebrity that I admire endorses it.



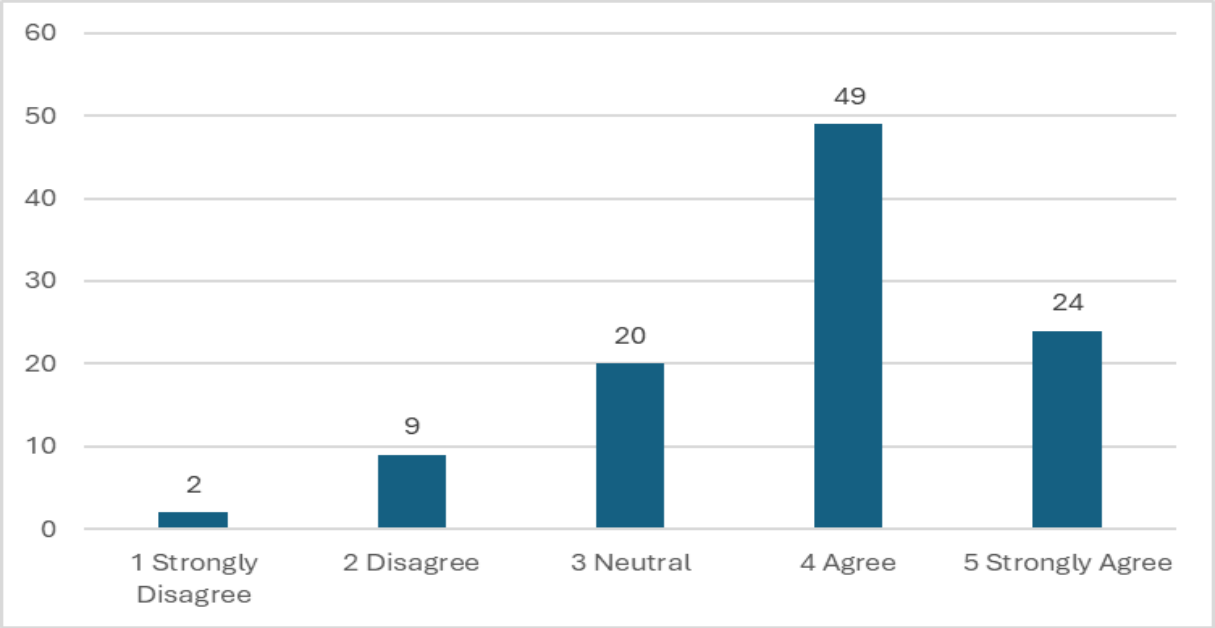
To the statement 'I have a better impression on a brand as a celebrity that I admire endorses it', only 3 respondents expressed strong disagreement and 10 respondents disagree, 28 of them remain neutral to the statement, 49 respondents agree to the statement and 14 of them strongly agree to it.

3. I have changed my perception of a brand after reading negative news about the celebrity who endorses it.



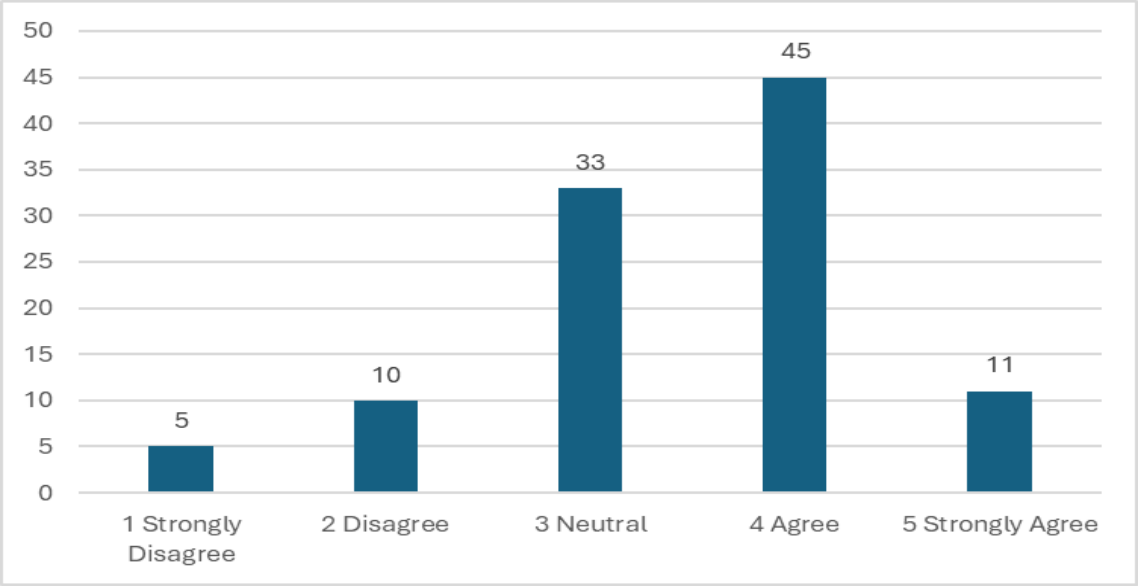
To the statement mentioned, majority respondents have no opinion to it, with 7 respondents strongly disagree, 22 respondents disagree, and 38 of them have no comment to it. However, 28 respondents did agree to the statement while 9 of them strongly agree that they have changed their perception of a brand after reading negative news regarding the celebrity that was endorsing the brand.

4. It is important for a celebrity's image to align with a brand's image and values.



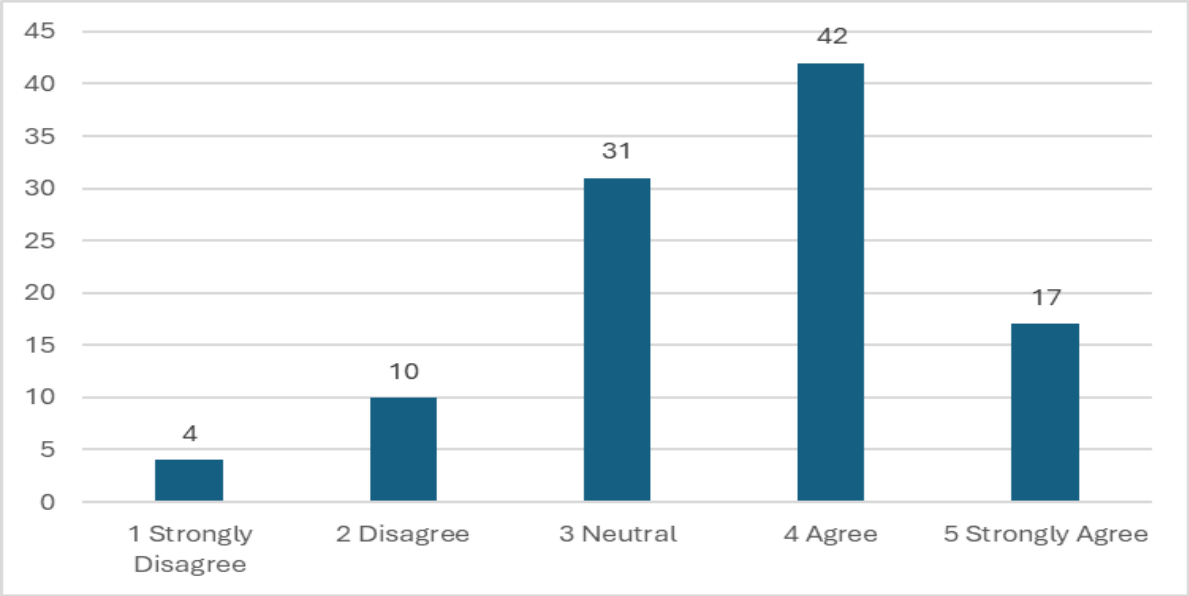
Out of 104 respondents, only 2 of them strongly disagree and 9 disagree that it is important for celebrity's image and brand's image and values to be aligned, 20 respondents have no opinion about it, 49 respondents agree, and 24 respondents strongly agree to the statement.

5. I think that brands are more reputable if they use celebrity endorsements.



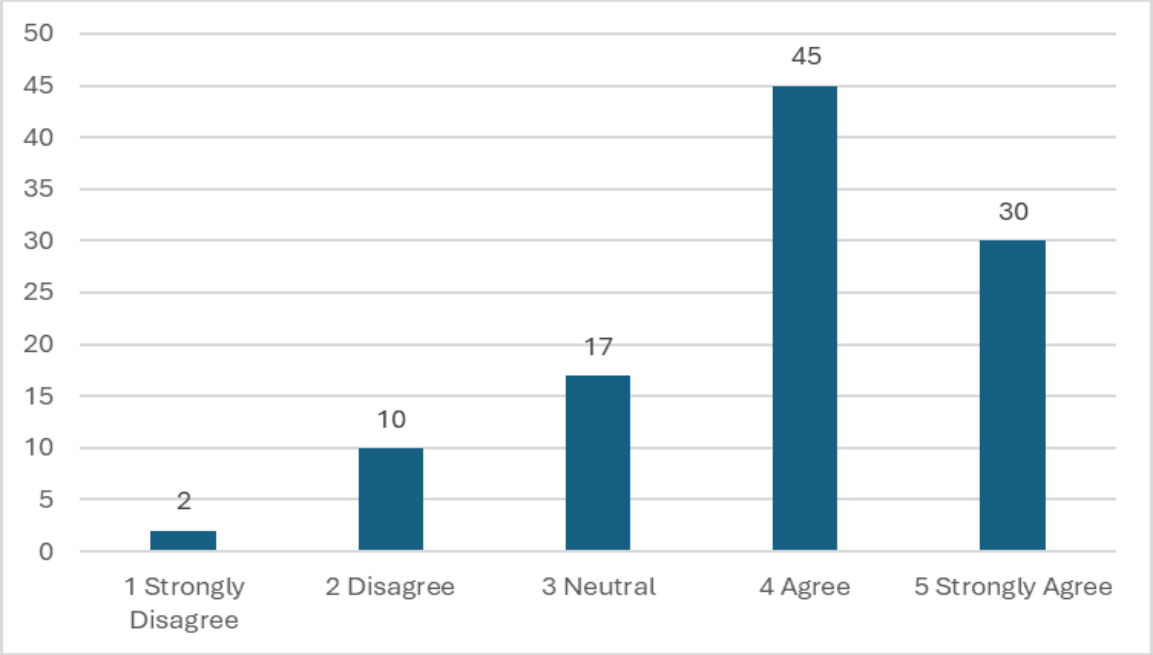
To the statement above, 5 respondents expressed strong disagreement and 10 of them disagreed, with 33 respondents remaining neutral and 45 respondents agreeing and 11 of them strongly agree that brands are indeed more reputable if they have celebrities to endorse it.

6. I think brands that use celebrity endorsements are deemed more successful in the long term.



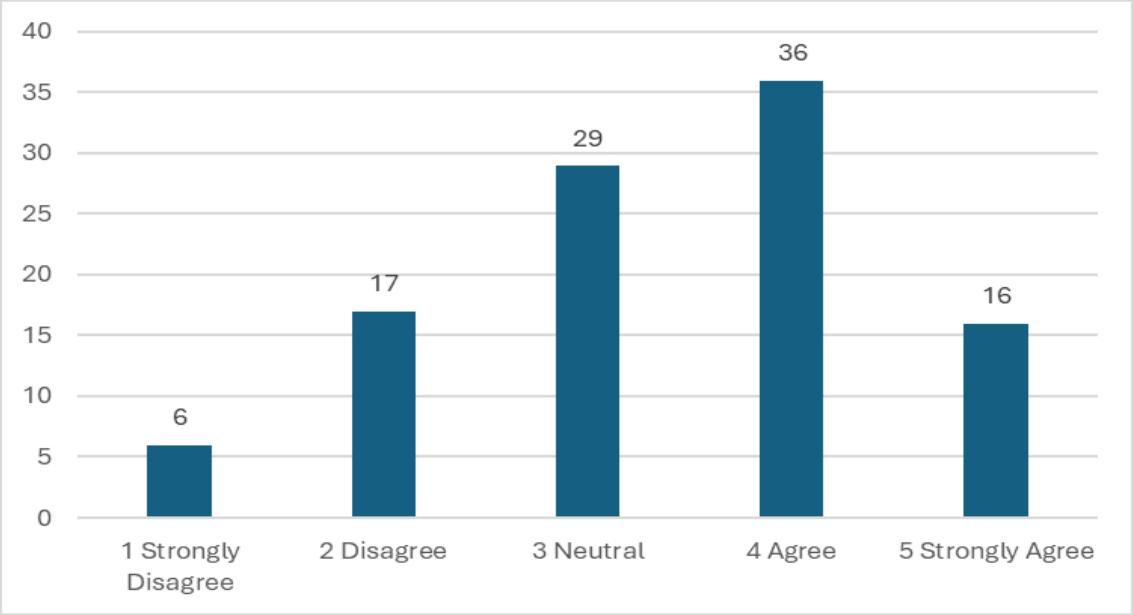
With 4 respondents indicating strong disagreement and 10 of them indicated disagreement, they do not think that brands will be more reputable in the long term if they use celebrity endorsements. However, as many as 42 respondents did agree and 17 of them strongly agree with the statement. The remaining 31 respondents remain neutral to the statement.

7. I think that brands are more likely to stand out among competitors if they use celebrity endorsements.



Among 104 respondents, 2 of them strongly disagree and 10 of them disagree that brands are more likely to stand out among rivalries if they use celebrity endorsements, with 17 of them having no stand to the statement, 45 respondents do agree, and 30 respondents strongly agree to the statement.

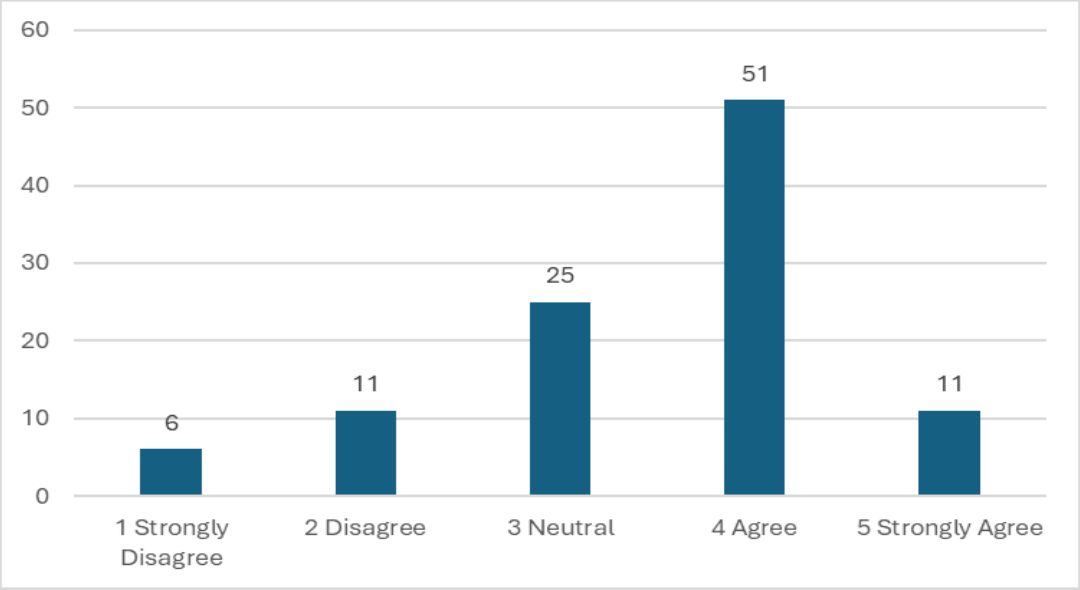
8. I think that brands are committed to quality if they use celebrity endorsements.



The statement received 6 respondents that strongly disagree, 17 of them disagree and 29 respondents are neutral towards it. Moreover, 36 respondents indicated agree and 16 of them strongly agree that brands are more committed to quality if they use celebrity endorsements.

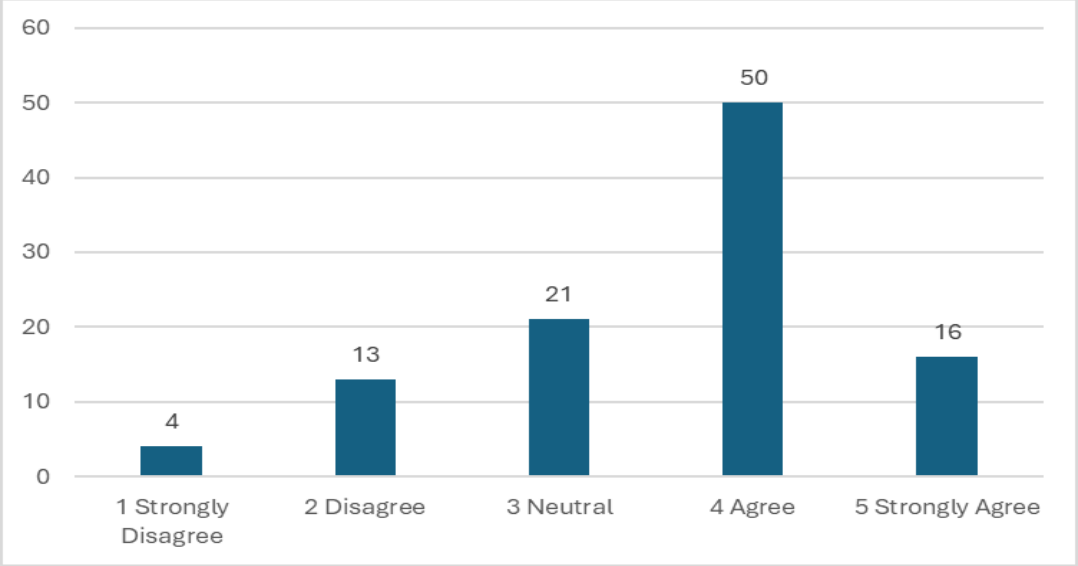
4.3 Section C (Likert Scale Question): How celebrities affect consumer behaviour

1. Celebrities influence me to try new products.



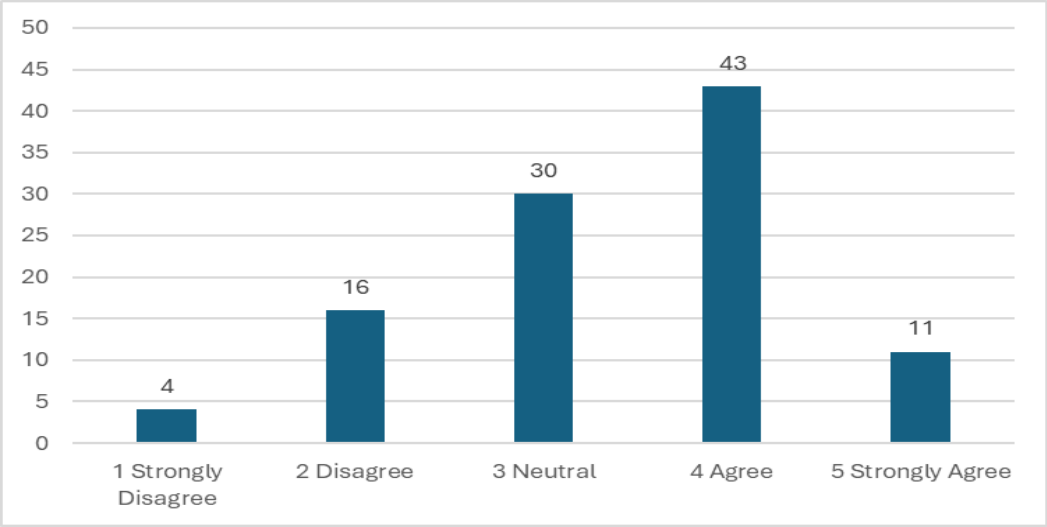
From 104 respondents, 6 of them strongly disagree and 11 disagree that celebrities influence them to try new products, 25 respondents have no comment about it, but majority of respondents with 51 agree and 11 strongly agree that celebrities have influenced them to try new products.

2. Celebrities influence my fashion choices.



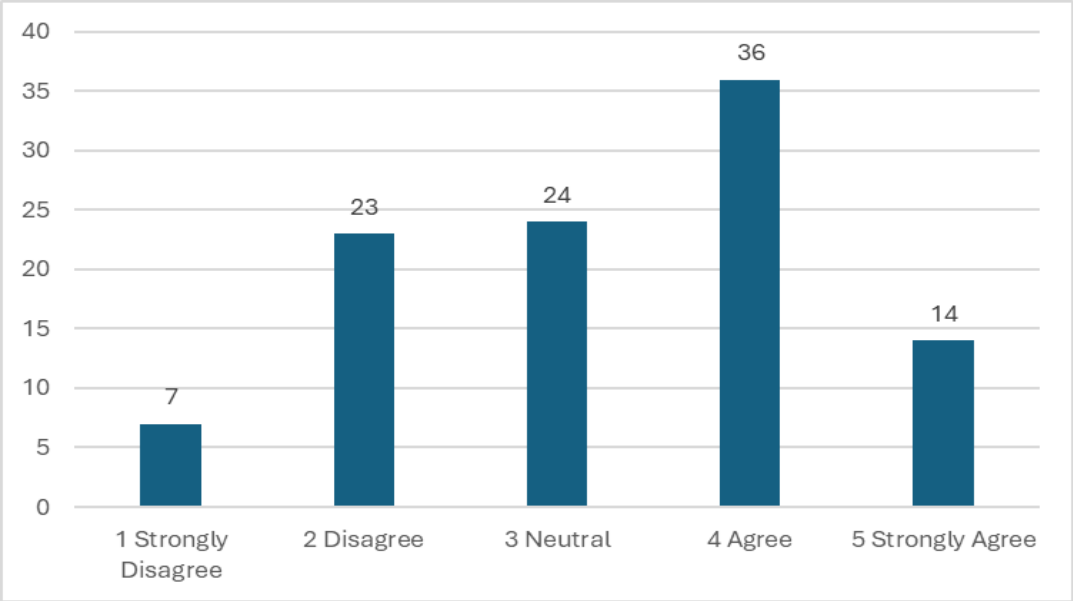
The bar chart above shows 4 respondents strongly disagree that celebrities influence their fashion choices, 13 of them disagree with the statement, 21 of them remain neutral, as many as 50 of them were influenced by celebrities for their fashion choices, and 16 of them strongly agree with it.

3. Celebrities influence my decision making in purchasing a product.



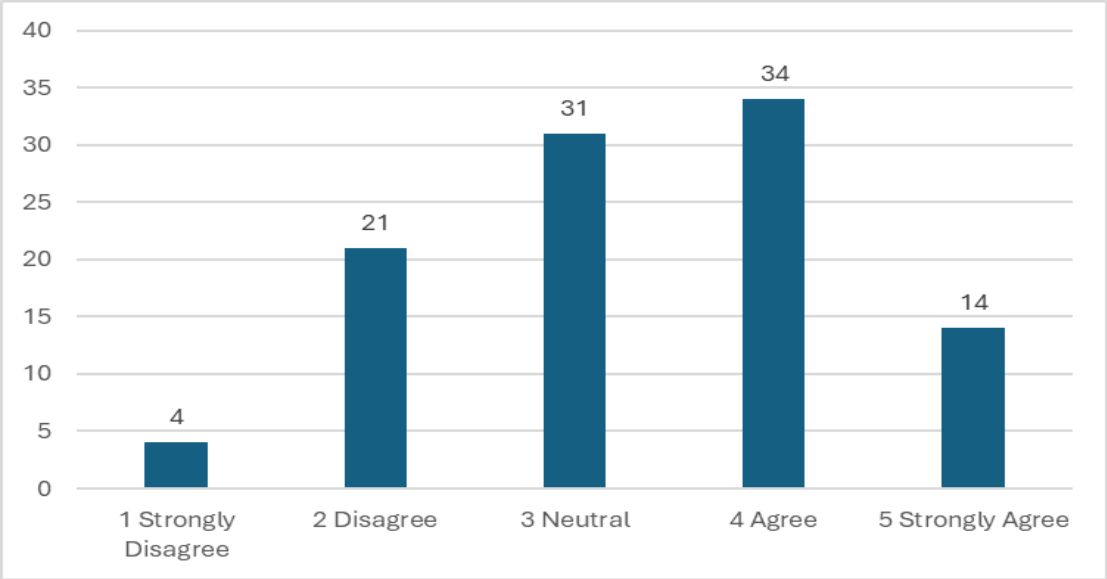
A total of 43 respondents agrees and 11 strongly agree that their decision making in purchasing a product has been influenced by celebrities, with 30 respondents being neutral, however 16 respondents remain firm, indicating disagreement and 4 respondents expressed strong disagreements to the statement.

4. I will share a product to friends and family if the celebrity whom I admire is endorsing it.



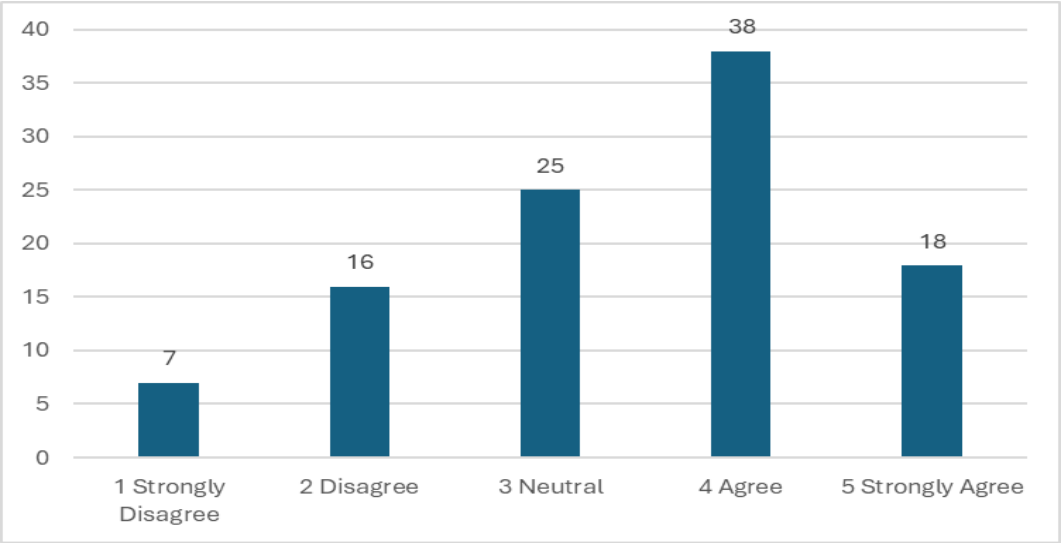
According to the bar chart, 36 respondents agree, and 14 respondents strongly agree that they will share a product to their friends and family if it is endorsed by their admired celebrity. 24 of them are neutral to this situation, 23 respondents expressed their disagreement and 7 indicated strong disagreement to the situation.

5. I am willing to reconsider my planned purchase if I encounter a celebrity that I admire endorses for another product.



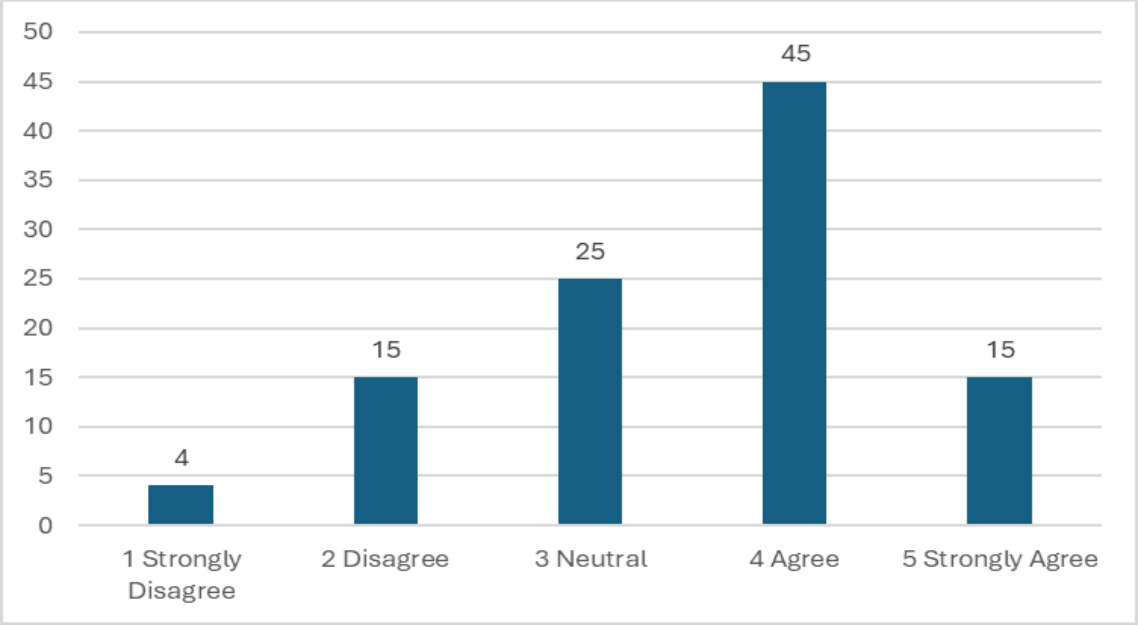
As a consumer, 34 respondents agree, and 14 respondents strongly agree that they are willing to reconsider their planned purchase if encountering their admired celebrity endorses for another product. However, 21 respondents disagree, and 4 respondents strongly disagree that they will be reconsidering. 31 respondents remain neutral.

6. I tend to trust a brand because it is endorsed by a celebrity whom I admire.



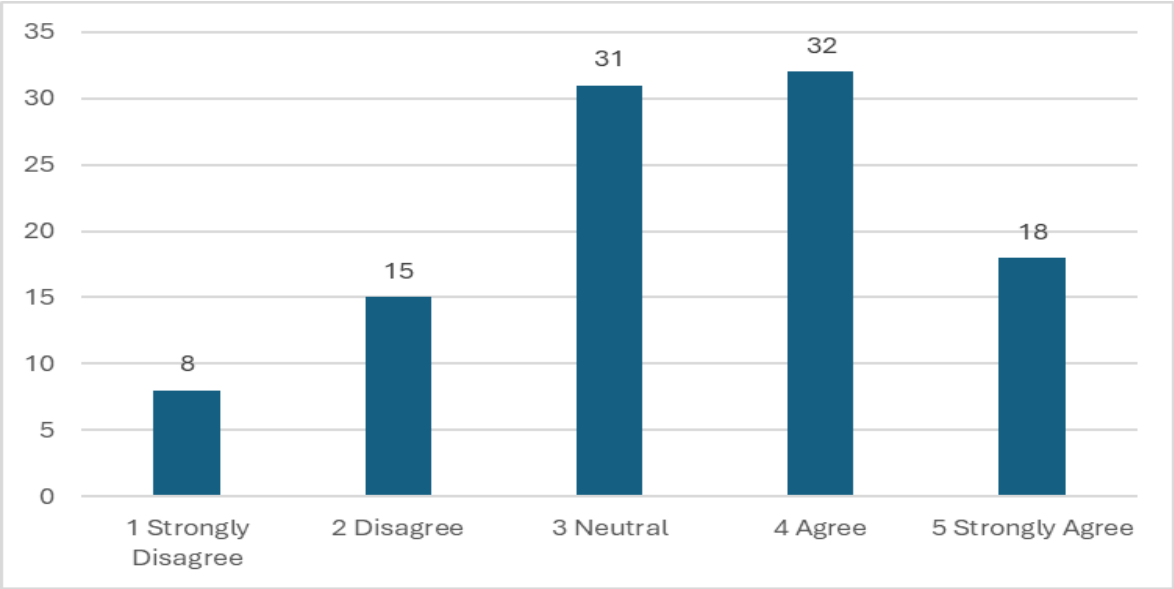
With the statement above, 38 respondents expressed their agreement and 18 of them expressed their strong agreement to it, while 25 of them are neutral, 16 respondents did disagree and 7 of them strongly disagree that they tend to trust a brand even if it is endorsed by a celebrity whom they admire.

7. I think celebrity endorsements have a long-term impact on my consumer behaviour.



Among 104 respondents, 45 of them agree and 15 of them strongly agree that celebrity endorsements leave a long-term impact on their consumer behaviour. Additionally, 15 respondents disagreed, and 4 respondents strongly disagreed to that statement, with 25 respondents remaining a neutral opinion to the statement.

8. I think that celebrity endorsements are more effective than other promotional activities (e.g. discounts, product sampling).



From the statement 'I think that celebrity endorsements are more effective than other promotional activities (e.g. discounts, product sampling)', it receives 32 agreements, 18 strong agreements, 31 neutral opinions. However, 15 respondents disagree, and 8 strongly disagree, indicating that they do not think the statement is true.

4.4 Chapter Summary

This chapter wraps up the survey findings collected from the survey, the discussion of above findings will be clarified in the next chapter consisting of research summary, implications, and recommendations.

CHAPTER FIVE

DISCUSSION

5.0 Introduction

This chapter will put the focus on a summary of major findings, implications, limitations, and recommendations. The findings from the survey that has been mentioned in the previous chapter will also be discussed.

5.1 Research Summary

This study explores the potential influence of celebrity endorsements on brand reputation and purchasing decisions among UTAR students, highlighting how brand reputation and UTAR students' purchasing decisions can be varied depending on the usage of celebrity endorsement of a brand. It also includes different key factors that influence brand loyalty, long-term image, and their competitiveness among the consumers. By using a quantitative approach, this research has discovered that celebrity endorsements do have significant impact on the behaviour of UTAR students' towards purchasing products or services of a brand.

5.2 Research Problem

The purpose of this research is to address the limitations and gap of the significance of the impact of celebrity endorsements on university students in terms of brand reputation or perception and consumer behaviour. Additionally, university students are a demographic sector that are often exposed to marketing that is driven by celebrities. Although this marketing strategy has been widely utilised among the industries, the long-term effects of it is still yet to be discovered. Therefore, by researching the correlation between them is substantially benefitting the companies

on exploring potential opportunities among this demographic, hence designing a better framework that is able to resonate with the mentioned demographic.

5.3 Research Objectives

Main Objectives: To find out how celebrities affect brand reputation and consumer behaviour.

O1: To find out how celebrities affect brand reputation.

O2: To discover how celebrities influence consumer behaviour.

5.4 Research Method

This research used a quantitative approach in terms of Google Form that collected data from 104 UTAR students aged between 18 to 25 to find out their opinion on how brand reputation and consumer behaviour can be affected by celebrity endorsements. The questions included Likert Scale Questions and Demographic Questions, Likert Scale Question has been further separated into two sections to find out on different aspect of the impact brought by celebrity endorsements - brand reputation and consumer behaviour. The data is then analysed using pivot tables on Microsoft Excel to investigate the relationship between celebrity endorsements and brand loyalty. From the analysis, it is found that UTAR students do have a better impression on a brand and also find them more reputable if students' admired celebrity endorses them. However, as much benefits as a celebrity endorsement can bring to a brand, their reputation also risks being jeopardised as some students have changed their perception of a brand after encountering negative news about the celebrity that is endorsing the brand.

5.5 Summary of Major Findings

5.5.1 To investigate the effect of celebrity endorsements on brand reputation

Marketing by using celebrity advertising is commonly seen to promote a brand with celebrity's image and fame, celebrity choices include music artists, famous athletes, or even characters from cartoons. In the short term, celebrity endorsements are able to generate more sales, and it helps with promoting brand and increasing brand awareness in the long term. It acts as a powerful tool to position the brand and as a differentiation point among the competitive industry. The research shows that 63% of respondents are clearly aware of brands that use celebrity marketing and over 60% of them do feel better about a brand if the brand has employed celebrity endorsement with their favourite celebrities. In the long-term, over half of the respondents, 56% to be exact, think that brands tend to be more reputable and successful if celebrities are used in their marketing strategies. One of the greatest examples shall be the collaboration of Nike and Michael Jordan, which through their 5-year contract, have released over 33 editions of the shoe line - Air Jordans and have been the top two best-selling sneakers in U.S.A., without mentioning that Michael Jordan would be the first celebrity's name that comes into minds whenever Nike appears (Sara, 2024). Additionally, with as high as 72% of respondents deem that brands are more likely to distinguish themselves among rivalries if celebrity marketing is used in their strategies. Taylor Swift's endorsement for Capital One for instance, has successfully resonated with audiences and also significantly increased visibility of the brand while letting consumers believe that their Venture Card is an ideal product (DMN Editorial Team, 2024).

5.5.2 To investigate the effect of celebrity endorsements on consumer behaviour

In light of celebrity endorsement, it is especially effective when the brand is planning for a major change such as product development and expansion, or market development and expansion as celebrities are able to sway the intention of purchase among consumers out of the admiration and trust they have for the celebrities. Drawing from this research, 59% and 63% of respondents admit that celebrities are capable of influencing them to try on new products and their fashion choices. Indeed, celebrity endorsement as a powerful tool for marketing have driven the sales of brands skyrocketing, especially in the era of social media where the presence of celebrities has increased significantly with huge numbers of followers. It is estimated that around 50% of social media users follow celebrities' accounts and rely on their opinion and recommendations for products, and 40% of them actually make purchases after viewing on Instagram or YouTube (Bhardwaj et. al., 2024). Moreover, 46% of respondents from this research are willing to reconsider their planned purchase in the event of encountering their admired celebrity that is endorsing another product, as 53% of them would put more trust and faith into a brand that is endorsed by their favourite celebrity. This could result in higher brand loyalty, and it is only consistent that consumer's perceived complications and risks were reduced while making decisions that strayed from their initial decisions after being influenced by advertising (Bhardwaj et. al., 2024). Compared to other promotional activities, 48% of the respondents agree that celebrity endorsements are far more effective, and that could be the attribution of authentic engagement from celebrities to the social media users with the celebrity having a positive impact on the brand accountability that, subsequently, could pave the way for the purchasing step of the brand's products (Shobowale, 2022).

5.6 Implications

5.6.1 Theoretical Implications

Theoretically speaking, celebrity endorsements do help in building brand awareness and brand loyalty to some point, as over 60% of respondents do agree that brands leave a better image when their admired celebrity is endorsing it and that brands stood out more with the help of celebrity endorsement as marketing tactics. Vice versa, celebrity endorsements could also harm the brand reputation when negative information is exposed about the celebrity. Thus, this research reinforces the marketing strategy that is known to all, that it is indeed, extraordinarily useful and effective and it also acts like a double-edged sword that can simultaneously do no good if the brand has not used it well.

5.6.2 Practical Implications

In the business world, marketers and brands could employ celebrity endorsements deliberately, keeping in mind that brand and celebrities' images and values should be aligned at all times, avoiding risks of losing credibility as celebrities' images are often correlated with the brand they endorse. It is crucial that brands remain authentic to their identity and carry out careful assessment before choosing a particular celebrity. This research also found that brands are deemed more successful in the long-term than those who did not use celebrity endorsements, and with a majority of respondents expressing that their fashion choices would be influenced by celebrities, marketers could target appropriate celebrities as ambassadors so that the younger generation can be attracted.

5.6.3 Social Implications

Though celebrity endorsements are widely used globally and bring effective results, the younger generations are getting more sceptical of what is being shown on the superficial elements on the advertisements that involve celebrities. This might be due to the fact that they are relatively more educated than the generations before as this research is done within university campuses. For example, there are also a fraction of respondents that weigh up to 22% who refrain from considering that the products of a brand would be high in quality even if celebrity endorsement is being used.

5.7 Limitations and Recommendations

As much as this research benefits for the research gap of how university students are affected by celebrity endorsement, it also limits the research findings to only within this university, hence may lack in a broader affected group and their purchasing behaviour. Apart from that, with mere 104 respondents and majority of them are Chinese as the sample size in this research may also affect the accuracy and reliability, eventually leading to incomprehensive analysis on the topic. Since this research is done in UTAR Sungai Long Campus, it limits the geographical inclusiveness as well, which could undermine the variety of opinion from different geographical locations. Considering that this research has only taken into account students aged 18 to 25, it hinders the result to be inclusive of all possible opinions from different age groups. In a nutshell, this research could only provide a reference for others as a framework for how UTAR students think about celebrity endorsements and its impact. Therefore, the recommendations that can be given from this case is to collect a larger sample size from all age groups, ethnicity, geographical locations, and different professions as well. For example, a sample size of more than 500 could substantially enhance the accuracy and reliability of the research. Given that this research is done

using a quantitative approach, future research could alternatively use qualitative approaches such as interviews, case studies, and focus groups to gather a deeper understanding and insights of how celebrity endorsement and its effects are deemed in other demographics. This is because respondents are able to freely provide their input and add elaboration somewhere in between, hence researchers could gather various opinions and perceptions with more nuanced insights.

5.8 Conclusion

Celebrity endorsement is an effective way to promote businesses by using a prominent figure and their image, especially during the era of social media where the impact could be exaggerated, nevertheless it may come with negative outcomes given that the businesses have chosen the wrong celebrity for it to be misalignment of image, or negative news surrounding the celebrity, or even conflict of interest such as the celebrity is endorsing for their rivalries. This is to say, if celebrity advertising has maximised its advantages, businesses could witness a spike in their sales along with gaining desired reputation and in contrast, the celebrity that does the otherwise could also damage businesses' reputation and harm their credibility if not cause a downfall to the business.

Although consumers are prone to the influence of celebrity's recommendations, they still remain conscious and rational to their purchasing decisions and more often than not, product quality, personal preferences, and price are the final influential factor before a decision is made. However, the long-term impact of consumer behaviour is still relevant to celebrity endorsement strategy, with the premise of brand recognising that a solid substance and value should exist for consumers to trust otherwise, it may backfire without the authenticity. With that being said, it is

dependent on the brand and their capabilities to align images and values of the brand, celebrities, and also the consumers, while still being authentic and relevant to the market.

In conclusion, it is undeniable that celebrities do have both desired and undesired impact on brand reputation and consumer behaviour due to the aspirational appeal from consumers to celebrities and the urge to conform to the majority of the market. This research serves as a foundation for future studies to look into the changes in the relationship between consumers and brands on social media with celebrities facilitating the communication, and to seek for more effective branding strategies.

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Appendix

Survey Questions

The effects of celebrity endorsement on brand reputation and consumer behaviour in UTAR undergraduates

Thank you for participating in this survey. I'm Nicolette Foo from Universiti Tunku Abdul Rahman (UTAR), currently working on my final year project - the effects of celebrity endorsement on brand reputation and consumer behaviour. If you do not keep up/follow any celebrity activities, you may choose to discontinue this participation.

This research is to find out how celebrities affect brand reputation and consumer behaviour, and this survey consists of 3 sections, which are: -
Section A - Demographic questions
Section B - Linear scale question: How celebrities affect brand reputation
Section C - Linear scale question: How celebrities affect consumer behaviours

All information shared will strictly remain confidential and will not be shared with any third parties. The data collected will be used solely for the purposes of this research and will be stored securely. Please reach out to Nicolette at nicolettefoo.nf@1utar.my if there are any questions.

Your participation in this survey is highly appreciated.

Section A

1. What is your age?

- 18 - 21
- 22 - 25

2. Which faculty are you from?

- Faculty of Arts and Social Science
- Faculty of Business and Finance
- Faculty of Engineering and Green Technology
- Faculty of Information and Communication Technology
- Faculty of Medicine and Health Sciences
- Faculty of Science
- Faculty of Creative Industries

3. Are you a fan of any celebrity?

- Yes
- No
- Maybe

Section B (Linear Scale Question): How celebrities affect brand reputation
For each statement, please express your level of agreement:
1 - Strongly Disagree
2 - Disagree
3 - Neutral
4 - Agree
5 - Strongly Agree

Questions	1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree
1. I am aware of brands that use celebrity endorsements.					
2. I have a better impression on a brand as a celebrity that I admire endorses it.					
3. I have changed my perception of a brand after reading negative news about the celebrities who endorse it.					
4. It is important for a celebrity's image to align with a brand's image and values.					
5. I think that brands are more reputable if they use celebrity endorsements.					
6. I think brands that use celebrity endorsements are deemed more successful in the long term.					

7. I think that brands are more likely to stand out among competitors if they use celebrity endorsements.					
8. I think that brands are committed to quality if they use celebrity endorsements.					

Section C (Linear Scale Question): How celebrities affect consumer behaviours
For each statement, please express your level of agreement:
1 - Strongly Disagree
2 - Disagree
3 - Neutral
4 - Agree
5 - Strongly Agree

Questions	1 Strongly Disagree	2 Disagree	3 Neutral	4 Agree	5 Strongly Agree
1. Celebrities influence me to try new products.					
2. Celebrities influence my fashion choices.					
3. Celebrity will influence my decision making in purchasing a product					
4. I will share a product to friends and family if the celebrity whom I admire is endorsing it.					
5. I'm willing to reconsider my planned purchase if I encounter a celebrity that I admire endorses for another product.					

6. I tend to trust a brand because it is endorsed by a celebrity whom I admire.					
7. I think celebrity endorsements have a long-term impact on my consumer behaviour.					
8. I think that celebrity endorsements are more effective than other promotional activities (e.g. discounts, product sampling)					