

**THE INFLUENCE OF CELEBRITY ENDORSEMENT ON ACTUAL  
PURCHASE BEHAVIOUR WITH MEDIATING ROLE OF BRAND  
EQUITY: A STUDY ON LOCAL FOOD BRANDS**



**By**

**NUR SHAZZANA BT AHMAD SHAKER**

**UUM**  
**Universiti Utara Malaysia**

**Thesis Submitted to  
School of Business Management,  
Universiti Utara Malaysia,  
In Partial Fulfilment of the Requirement for the Master of Sciences  
(Management)**



**Pusat Pengajian Pengurusan  
Perniagaan**  
SCHOOL OF BUSINESS MANAGEMENT

**Universiti Utara Malaysia**

**PERAKUAN KERJA KERTAS PENYELIDIKAN**  
(*Certification of Research Paper*)

Saya, mengaku bertandatangan, memperakukan bahawa  
(*I, the undersigned, certified that*)  
**NUR SHAZZANA BT. AHMAD SHAKER (816041)**

Calon untuk Ijazah Sarjana  
(*Candidate for the degree of*)  
**MASTER OF SCIENCE (MANAGEMENT)**

telah mengemukakan kertas penyelidikan yang bertajuk  
(*has presented his/her research paper of the following title*)

**THE INFLUENCE OF CELEBRITY ENDORSEMENT ON ACTUAL PURCHASE BEHAVIOUR WITH  
MEDIATING ROLE OF BRAND EQUITY: A STUDY ON LOCAL FOOD BRANDS**

Seperti yang tercatat di muka surat tajuk dan kulit kertas penyelidikan  
(*as it appears on the title page and front cover of the research paper*)

Bahawa kertas penyelidikan tersebut boleh diterima dari segi bentuk serta kandungan dan meliputi bidang ilmu  
dengan memuaskan.  
(*that the research paper acceptable in the form and content and that a satisfactory knowledge of the field is covered  
by the research paper*).

Nama Penyelia  
(*Name of Supervisor*)

**DR. NOOR HASMINI HJ. ABD GHANI**

Tandatangan  
(*Signature*)

:

Tarikh  
(*Date*)

:

**28 DISEMBER 2015**

## **PERMISSION TO USE**

In presenting this research paper in partial fulfilment of the requirements for a Post Graduate degree from the Universiti Utara Malaysia (UUM), I agree that the Library of this university may make it freely available for inspection. I further agree that permission for copying this research paper in any manner, in whole or in part, for scholarly purposes may be granted by my supervisors or in their absence, by the Dean of School of Business Management where I did my research paper. It is understood that any copying or publication or use of this research paper parts of it for financial gain shall not be allowed without my written permission. It is also understood that due recognition shall be given to me and to the UUM in any scholarly use which may be made of any material in my research paper.

Request for permission to copy or to make other use of materials in this research paper in whole or in part should be addressed to:

School of Business Management

Universiti Utara Malaysia

06010 UUM Sintok

Kedah Darul Aman

## ABSTRACT

With fiercely intense competition, having a good product alone seems inadequate to sustain and be among the top notch product in the market. To do so, marketing strategy of most business firms relies heavily on advertising to promote their products and capitalize the most prominent technique in this modern era which is the use of celebrity endorsement. Nowadays, celebrities are claimed as the most influential icons that people admire and easily attracted to. This influential power has seen to give a huge impact on most businesses especially by strengthening the company's or product's brand. In the meantime, having an excellent brand is considered as the most valuable asset for a company. It can be achieved by managing the brand equity in the right way. This intangible asset provides value for both the consumer and the firm. It is believed that having attractive advertising strategy that capitalizes celebrity endorsement to promote the products may increase the value of the brand which in turn can stimulate consumers to buy. Therefore this research is conducted to gain insight into the influence of celebrity endorsement towards actual purchase behaviour of consumers and investigating the impact of brand equity as the mediating variable between these two constructs. This study also intended to explore the Malaysian food brands specifically for the packaged food products. It is certainly undeniable that our local food brands still cannot compete with international origin brands. National brands are deemed as unfamiliar and unattractive enough to win the heart of consumers. Due to this crucial issue, research is conducted to examine the consumers' purchasing behaviour of local food brands. In fact, the purpose of this research is to figure out the dimensions of celebrity endorsement that highly influence consumer's actual purchase behavior and whether the presence of brand equity will mediate the relationship between celebrity endorsement and actual purchase behaviour of local food brands. To achieve the objectives, questionnaire was constructed and distributed to 300 respondents in Penang. Findings shown that celebrity endorsement has significant relationship with actual purchase behaviour and attractiveness of celebrity becomes the major factor in influencing consumers to buy local food brands. Results also revealed that brand equity mediates the relationship between celebrity endorsement and actual purchase behaviour and brand awareness is the most influential factor towards this relationship.

**Keywords: celebrity endorsement, brand equity, actual purchase behaviour, local food brands**

## **ABSTRAK**

Dengan persaingan yang semakin sengit, mempunyai produk yang baik sahaja tidak mencukupi untuk bertahan dan menjadi produk yang terkemuka. Salah satu teknik yang terkenal dalam era yang serba moden ini ialah dengan menggunakan selebriti sebagai sokongan sebagai salah satu strategi pengiklanan. Pada masa kini, selebriti dianggap sebagai ikon yang paling mempengaruhi di mana orang mudah minat dan tertarik. Kuasa mempengaruhi ini dilihat dapat memberi impak yang besar kepada kebanyakan perniagaan terutama dalam mengukuhkan jenama syarikat atau produk dan menarik lebih banyak pengguna untuk membuat pembelian. Dalam masa yang sama, mempunyai jenama yang baik dianggap sebagai asset yang paling berharga untuk sesebuah syarikat. Ia bermula daripada kaedah yang betul dalam menguruskan ekuiti jenama yang merupakan asset tidak ketara yang memberi nilai kepada syarikat dan pengguna. Adalah dipercayai bahawa mempunyai strategi pengiklanan yang menarik yang menggunakan selebriti untuk mempromosi produk dapat meningkatkan nilai jenama di mana ia merangsang pengguna untuk membuat pembelian. Oleh hal yang demikian, kajian ini dijalankan untuk memperoleh pemahaman tentang pengaruh sokongan selebriti terhadap gelagat pembelian sebenar pengguna dan mendalami setiap dimensi ekuiti jenama untuk melihat impaknya sebagai pembolehubah pengantara antara kedua-dua elemen ini. Kajian ini bertujuan untuk meneroka jenama makanan buatan Malaysia terutamanya produk makanan dalam bungkusan. Tidak dinafikan bahawa makanan berjenama tempatan masih belum mampu menyaingi jenama luar negara. Jenama kebangsaan disifatkan tidak popular dan tidak cukup menarik untuk menambat hati pengguna. Disebabkan oleh kerumitan ini, kajian dijalankan untuk mengkaji gelagat pembelian pengguna terhadap makanan berjenama tempatan. Malah, tujuan kajian ini adalah untuk mendapatkan dimensi sokongan selebriti yang paling kuat mempengaruhi gelagat pembelian yang sebenar dan jika kemunculan ekuiti jenama akan menjadi pengantara untuk hubungan antara sokongan selebriti dan gelagat pembelian sebenar terhadap makanan berjenama tempatan. Untuk mencapai objektif, kajian soal selidik dibina dan diedarkan kepada 300 responden di Pulau Pinang. Dapatan kajian menunjukkan sokongan selebriti mempunyai hubungan yang signifikan dengan gelagat pembelian sebenar dan daya tarikan selebriti menjadi faktor utama dalam mempengaruhi pengguna untuk membeli makanan berjenama tempatan. Keputusan juga menunjukkan bahawa ekuiti jenama menjadi pengantara bagi hubungan antara sokongan selebriti dan gelagat pembelian sebenar, dan kepekaan terhadap jenama merupakan faktor utama yang mempengaruhi hubungan ini.

## ACKNOWLEDGEMENT

Sometimes words fall short to show gratitude, the same happened to me during the accomplishment of this research paper. The immense help and support received from my supervisor, Dr Noor Hasmini Bt. Abd Ghani overwhelmed me during accomplishing the research. It was a great opportunity for me to conduct this research and gain a lot of knowledge to prepare myself for the future. My sincere gratitude to Associate Professor Dr. Selvan Perumal for being a helpful panel in giving support and guidance for me. . His valuable suggestion and wise idea on bringing out this research paper in the best possible ways is much indeed appreciated. An utmost thankful also goes to my family who always give moral support whenever I feel down and about to lose hope in doing this project. I am also extremely grateful to have such an understanding and helpful husband who was always accompany me whenever I need a hand. They are all the backbone of my life and without them the completion of this research paper would have been virtually impossible. I am also highly indebted to all my friends who never felt stingy to share their knowledge. I would cherish their good support in assisting and encouraging me throughout the whole semester of accomplishing this research paper.

## TABLE OF CONTENT

ITEMS	PAGE
<b>CERTIFICATION OF THESIS WORK</b>	ii
<b>PERMISSION TO USE</b>	iii
<b>ABSTRACT</b>	iv
<b>ABSTRAK</b>	v
<b>ACKNOWLEDGEMENT</b>	vi
<b>TABLE OF CONTENT</b>	vii
<b>LIST OF TABLES</b>	x
<b>LIST OF FIGURES</b>	xii
<b>CHAPTER 1: INTRODUCTION</b>	
1.1 Overview	1
1.2 Background of Study	1
1.2.1 Malaysia Scenario towards Purchasing Local Food Brands	3
1.2.2 Celebrity Endorsement and Brand Equity in Influencing Purchasing Behaviour	8
1.3 Problem Statement	11
1.4 Research Questions	17
1.5 Research Objectives	18
1.6 Significance of Study	18
1.7 Scope of Study	19
1.8 Limitation	19
<b>CHAPTER 2: LITERATURE REVIEW</b>	
2.1 Introduction	20
2.2 Actual Purchase Behaviour	20
2.2.1 Definition of Actual Purchase Behaviour	22
2.3 Celebrity Endorsement	23
2.3.1 Definition of Celebrity Endorsement	25

2.3.2 Source Credibility	27
2.3.3 Source Attractiveness	28
2.3.4 Celebrity Endorsement and Brand Equity	30
2.4 Brand Equity	31
2.4.1 Definition of Brand Equity	32
2.4.2 Brand Awareness	34
2.4.3 Perceived Quality	35
2.4.4. Brand Image	36
2.4.5 Brand Loyalty	37
2.4.6 Brand Equity as Mediating Role	38
<b>CHAPTER 3: RESEARCH METHODOLOGY</b>	
3.1 Introduction	40
3.2 Research Framework	40
3.3 Hypotheses	42
3.4 Research Design	46
3.5 Instrumentation	46
3.6 Data Collection Method	49
3.6.1 Sampling	49
3.6.2 Data Collection Procedure	50
3.6.3 Technique of Data Analysis	54
<b>CHAPTER 4: RESULT AND DISCUSSIONS</b>	
4.1 Sampling Characteristics	55
4.2 Exploratory Factor Analysis	61
4.3 Reliability Test	64
4.4 Normality Test and Collinearity Effect	66
4.5 Correlation Analysis	67
4.6 Hypothesis Testing	71
4.6.1 The Influence of Celebrity Endorsement on Actual Purchase Behaviour	72
4.6.2 The Influence of Celebrity Endorsement on Brand Equity	73
4.6.3 The Influence of Brand Equity on Actual Purchase Behaviour	74



4.6.4 Brand Equity as the Mediator	75
<b>CHAPTER 5: CONCLUSION AND RECOMMENDATIONS</b>	
5.1 Conclusion	77
5.2 Contribution of Study	80
5.3 Recommendations	81
<b>LIST OF REFERENCE</b>	
<b>APPENDICES</b>	



## LIST OF TABLES

NO.	TITLE	PAGE
1.1	Annual Sales of Food and Beverages Companies	12
1.2	Imports of Food and Beverage Products in Malaysia	13
2.1	Definition and Theories of Actual Purchase Behaviour	22
2.2	Definition and Theories of Celebrity Endorsement	25
2.3	Criteria for the Selection of Celebrity	26
2.4	Definitions and Theories of Brand Equity	32
3.1	Measurement of Variables	48
3.2	Location of fieldwork	52
4.1	Sample Characteristics	56
4.2	Experience and Preference towards Local Food Brands	58
4.3	Constructs of the Study and their Factor Loading	62
4.4	Reliability Test for each variables	64
4.5	Normality Test	65
4.6	Correlations Analysis for Celebrity Endorsement, Brand Equity and Actual Purchase Behaviour	67
4.7	The Relationship of Celebrity Endorsement and Actual Purchase Behaviour	71
4.8	The Relationship of Celebrity Endorsement and Brand Equity	72
4.9	The Relationship of Brand Equity and Actual Purchase Behaviour	73
4.10	Mediating Effect of Brand Equity Variables on the Relationship between Celebrity Endorsement and <i>Actual Purchase Behaviour</i>	74

## LIST OF FIGURES

NO.	TITLE	PAGE
3.1	Research framework	42



## **CHAPTER 1**

### **INTRODUCTION**

#### **1.1 Overview**

This section is an overview of chapter 1 and outlines the importance of each sub topics. In chapter 1 it contains introduction that covers the research background of study, elaboration of problem statement, research questions, research objectives, significance of study, scope of study and limitation. Research background explains briefly about the food and beverage industry in Malaysia, the packaged food products in Malaysian perspectives, the actual purchase behaviour of consumers towards local brands, governmental support, and importance of celebrity endorsement and branding towards influencing actual purchase behaviour. Next in problem statement, it presents the issues of purchasing behaviour from consumers and the demand of local food and beverage in the market. Research questions outline the important questions to be answered at the end of this research while research objectives present the aims to be achieved throughout the study. Following this, the significance of study section explains about the importance and contributions of this research to a few parties. In scope of study, researcher describes the context of study to be covered such as the category of food and beverages, location of study and the theories of concern. At the end of this chapter, researcher briefly explains the limitation and constraints in conducting the research.

#### **1.2 Background of the Study**

Actual purchase behaviour is the willingness and ability of consumers to buy a product or a service. Actual purchase behaviour of consumer can be identified

by knowing the attitude of the consumers which utilize different abilities of actual purchase in choosing their most favourable brands. Usually, when consumers are given the options to choose between local and foreign brand, consumers all over the globe will show different kind of purchase behaviour (Jamal, et al., 2012). The actual purchase behavior towards local brands is described in a situation when the consumers in different parts of the world have different abilities to choose between local and foreign brands in order to fulfil their purchasing needs. There are different stages in consumer actual purchasing, and these can be summarized as the need and willingness to recognize brands, seek for information about the brands that can cater the need, estimate the set of options available in the market, decide to purchase a brand, and assess their decision after the actual purchase (Jamal, 2013). In attempt to understand the actual purchase behaviour of consumers, it is primarily important to know the act of consumers in purchasing products by looking into their buying process, consumption or through the quantity that they purchase or use (Nik, Hasmini & Jamal, 2015).

In other extent, actual purchase behaviour for local products can be seen by the purchase frequency over a period and positively associated with being the best available, frequently being bought although cheaper alternatives are available, and consequently because it represents good value for money. Local products also being bought because consumers perceive that they are supporting the national economy by doing so ( Socio-Economic Research and Intelligence Observatory, 2008). As stated by Zeb et al. (2011), it is certainly undeniable that the purchasing behavior of consumers relies on the monetary value of a brand as well as its status and position in the mind of consumer. Jamal (2013) also agreed that purchasing local brands lead to the rising of the national economy and individual well-being.

Therefore, through studying about the purchase behaviour, researcher will know the way consumers assess and make a decision to choose a certain brand (Keller, 2011). In fact, Farzana, Shukri and Ali (2014) claimed that almost 90%

of consumer's decision in making a purchase is influenced by the strength of a brand. A strong brand is also perceived as having the potential to acquire 75% of the customer's loyalty.

Kotler & Armstrong (2009) therefore concluded that understanding purchase behaviour is very important in order to attract and retain consumers. Thus, marketers need to keep improving their understanding of consumer behaviour, both from an individual's perspective, and also in terms of market sectors.

### **1.2.1 Malaysia Scenario towards Purchasing Local Food Brands**

Malaysians consumers are often seen to exhibit some inconsistency in their purchasing behaviour towards local brands. Although Malaysians are proud that national products are being exported to foreign countries, however they believed that foreign-made products from advanced countries like America, Canada, United Kingdom, Singapore and so forth are having better quality compared to locally produced products. Eventhough the "Belilah Barangan Buatan Malaysia" (Buy Malaysian Goods) campaign has been in place since the year 1990, its effectiveness is still doubtful. The rate of purchasing Malaysian products among local consumers is still in a poor state due to the perception that Malaysian products have lower quality (Lew & Zuraidah, 2014). The rapidly changing trend has also influenced the purchase behaviour of millennial consumers that undergo dramatic changes in their daily lifestyle especially in the way they purchase food products (Norshamliza & Batt, 2013). In fact, the consumption styles and habits of Malaysian towards purchasing food have been influenced by their social status, which is observed through what and how they purchase (Hasan, 2013). The lifestyle of consumer nowadays which are becoming more sophisticated and modern, leading Malaysian consumers to an increasing consumption of imported food and beverages from western countries (Loh, 2014).

Malaysian consumers also started to become brand conscious and expect more convenience as well as variation in their food selection. As a result, Malaysian consumers beginning to question more about the source and ingredients of their foods (The Business Magazine of the Malaysian-German Chamber of Commerce and Industry, 2013). Furthermore, due to better educational level, Malaysian consumers have become more sophisticated and seek to purchase the premium packaged foods that have superior quality and available in convenient packaging. (Malaysian-German Chamber of Commerce and Industry, 2012). Due to higher demand for convenient, portable, easy-to-prepare meal solutions, packaged food product is absolutely necessary component in the modern lifestyle and able to lessen the hassles of grocery shopping and preparing a meal (Lee, 2010). According to the Food Act of Malaysia 1983, “packaged food” refers to “food which is wholly or partly cased, covered, enclosed, contained, placed or otherwise packaged in any way and includes in any basket, pail, tray or receptacle of any kind whether opened or closed (Norsara, et. al, 2014).

In general, food and beverages products in Malaysia can be locally produced or imported. The food and beverage market in Malaysia is estimated around RM30 billion and it can be assumed that Malaysia has an attractive packaged food and beverage niche from its large food and beverage market (Lau et al., 2013). Specifically for packaged food industry it is worth up to US\$5.5 Billion in 2011 which contributed most by dried processed food, as well as dairy products and the amount is expected to rise to US\$5.9 Billion by 2016. Confectionaries are among the packaged food products that rising in demands and manufacturers are anticipated to focus in this area (Seelan, 2010).

Due to the rapid urbanization, high standard demand from consumer with high income had resulted in the hike of imported packaged food products to Malaysia especially noticeable in categories such as, jams and preserves, ice-creams, chocolate confectionery, cheese and sauces, dressings and condiments. These categories are often perceived as containing premium quality products,

added with the perception towards imported products that usually having superior quality (Euromonitor, 2013).

With international players like Nestlé, Danone, Unilever, and Quaker Oats that continue to introduce new products and establish their brands as well as gain larger market share in Malaysia, this become a huge threat for local brand to compete against these competitors (Lau et al., 2013). International brand names like Cadbury and Heinz are also continually imported to Malaysia and the number is mushrooming due to the demand from consumers and its popular names in this country (Seelan, 2010). In the meantime, a giant dairy brand, Nestle had expanded its operation in Malaysia by opening new plant in Shah Alam (The Star, 2015). The facility is said to produce ready-to-drink beverages such as Milo, Nescafe, Nestle Full Cream Milk and so on (Malaysia Food Business Directory,2014). Past studies showed that Nestle continued to dominate packaged food due to its well established brand name which has allowed it to build a very strong presence in Malaysia. Nestle had also consistently introduced new products into Malaysia since 2010 in order to maintain its strong consumer position in the market (Malaysian-German Chamber of Commerce and Industry,2012). Nestle has been proven to be among the top ten of consumer product companies in Malaysia besides F&N (Top Ten of Malaysia, 2014). Besides, many other international origin brand companies also dominated the Malaysian food & beverages manufacturing industry such as Maggie, Knorr, Kraft and many more. In fact, Amran et. al (2010) stressed that today established global brands like Coca Cola and Kellogs still control a great portion of global's market share. These global competitors are also aggressively promoting their brands in domestic market with aim of driving consumers to buy foreign brands. (PWC,2013).

Eventhough Malaysia is reported as the fourth most popular investment destination for multinational corporations in Asian regions, it is certainly a huge threat to Malaysia when these companies bring in their sophisticated process and systems, quality products as well as massive marketing budgets to rapidly



building market share in this country. As a result, Malaysian firms that continue offering discounts, sales, cheap products, weak service and inefficient communication strategy will soon go out of business (Osborne, 2013). This shows that it's hard for Malaysia to position itself as a significant brand player not only for local consumers but also for the world (Ernest et al., 2012).

Despite the dominance of international players, such as Nestle (M), there are also other domestic players such as Jasmine Food Corp, Serba Wangi and FFM Berhad that able to maintain or even grow their value shares of packaged food. In the category of rice, Jati and Jasmine is expected to be two of the most-popular local brands due to their enhanced brand reputation and consumer's loyalty. Seri Murni, a brand from Federal Flour Mill Berhad (FFM), is set to retain second position and gain improvement in value share within vegetable and seed oil in 2013. In the meantime, local brand Mamee is expected to continue dominating snack noodles and account for third place within category of instant noodles in 2013, despite the fierce competition from other well-established brands (Euromonitor International, 2014). On the other hand, Ayamas is a leading frozen processed food brand in Malaysia with 19% value share in 2013. As a former chicken supplier for KFC, it able to sustain in the market and established its name as a local frozen food brands that offers variety of products (Euromonitor International, 2013).

Due to the instability of purchase behaviour among consumers towards local food brands, government has launched a few programmes to help boosting the domestic brand in food and beverages industry. The implementation of Economic Transformation Plan (ETP) projects which aimed to transform Malaysia to high income nation by year 2020, it is believed to help boosting the domestic demand. This programme becomes the drivers of economic activities and is foresee to contribute to the economic growth of Malaysia. This shows that government has emphasized a strategic plan for growth of Malaysian economic in order to promote our local food brands worldwide. Along with support from government policies, a few programs have been launched to help local manufacturers sustain

their business in highly competitive market-oriented economy (Malaysian-German Chamber of Commerce and Industry, 2012). The Ministry of International Trade and Industry (MITI) as part of the government programme has also been allocating funds and grants up to RM1 million to the firms who anticipate to develop and promote the Malaysia brands. The Brand Promotion Grants is also offered to SME with the opportunity to get 100% reimbursable funding if the program runs effectively (Ernest,et al., 2012).

Yet in attempt to promote local products, most of the programmes constructed by the government are focusing more on traditional marketing activities such as business management, financial assistance, packaging and networking with other external parties (Tan, 2012). There was insufficient training programme that focuses on the development of basic knowledge among local entrepreneurs especially in improving the ideology of brand equity creation which is the most important element for a product. In a fiercely competitive market especially in food and beverages industry, such investment in brand building is important for the companies to create awareness and loyalty for their products (Ghazali & Ruslan, 2009). In the meantime, Sola (2012) pointed that to gain awareness and strengthen the brand name in the market, it is best communicated through celebrity endorsement. In his study, there is a 98% correlation proven between the success of celebrity endorsement of brands and the power of the brand in the market place. Low and Lim (2012) also added that Malaysian consumers perceive the celebrity endorser as a role model who able to influence their buying decisions. Therefore, celebrity endorsement is capable to raise the sales of targeted brand and act as competitive advantage that distinguishes it from competitor's brand.

### **1.2.2 Celebrity Endorsement and Brand Equity in Influencing Purchasing Behaviour**

In modern era, companies are vying to serve its customers with excellent products. However, relying on its product alone is inadequate to endure for a long time in the market. Having the right marketing techniques can be a powerful tool to become a top notch brand among the other competitors. Hence, advertisement is used as the easiest and most effective approach to create awareness and stimulate interest in the mind of consumers. In rapidly evolving world, there have been a lot of advertising techniques being employed by the advertisers which undeniably have saturated in the market. From the traditional way of using flyers until the modern techniques that utilize the mass media through the channel of television, radio as well as internet, all of these strategies are common to the advertisers (Ghani & Kakakhel, 2011). Due to this intense competition, companies use celebrity endorser as their advertising strategy which is deemed as more attractive and effective since celebrity is largely connected to the public. Number of fans that they have will position the celebrity as an ideal person to target maximum audience in promoting the products (Ahmed, Farooq & Iqbal, 2014). It appears that advertising endorser that uses celebrities becomes one of important approaches that can influence consumer's buying decision. Via this channel, messages can be directed to consumers in a short time and stimulate consumer's familiarity on a product. It can build image and product value when the celebrities become the icon of the product (Ghazali & Ruslan, 2009).

Celebrity advertising started a decade ago from the United States. About 25% of all television and print advertisements in the United States have featured celebrities. The use of celebrity in advertisement has also been increasing to other parts of the world especially Japan which adopt a massive use of celebrity in the commercials. In Malaysia, this practice has been observed and the trend is gaining momentum, however there are limited information on how Malaysian consumers perceive the advertising of brands by celebrities and no statistic

available to prove the practice in real industry (Mazzini, Rosidah & Lennora, 2011).

In Malaysia, celebrity endorsement could be seen applied in many types of products. For example, Erra Fazira endorses for Lux, Sarimah with Rejoice, Chef Wan with Vesawit and Siti Nurhaliza with Pepsi. In food products the endorsement can be seen from, Mamee (instant noodles) which get endorsed by Harith Iskandar and Beras Jasmine (rice) by Jalaludin Hassan. Celebrity endorsement also helps to promote local brand names that are initially unfamiliar to the consumers such as Power Root which get endorsed by the famous actor Fahrin Ahmad. In the meantime, advertisement of products which get endorsed by celebrity is deemed as catalyst to get higher positive response and purchase intention from consumers. This usually happens for the brands that are not offering high prices and not prevalent among existing brands especially the groceries item and highly visible consumer products (Byrne, Whitehead & Breen, 2003).

This advertising technique has received a tremendous attention in the literature. Many studies show strong support for the use of celebrity endorsements, claiming that celebrities help make brands recognizable and create a positive brand attitude, enhance the tendency to purchase, and instil brand loyalty. Studies also have shown the presence of celebrities in products positively associate with consumer purchase behavior (Fathi & Kheiri, 2015). In fact, studies also indicated that sales for some brands that use celebrity endorsement have increase up to 20% (Dengra, 2013). Previous researches revealed that 80% of purchase decision occurred based on visual presentations projected by famous public figures. This approach has attracted the attention of consumers from the different aspects. These celebrities are desirable for the consumers from several perspectives including credibility, persuasiveness, and confidence (Fathi & Kheiri, 2015). It is undeniable that celebrities are deemed as the public figure who are able to draw attention of consumers and communicate the message of the particular product to the consumers effectively (Parmar & Patel, 2014). Due to the

value added, advertisers are willing to bear the cost of using celebrities in promoting their brands (Mazzini, Rosidah & Lennora, 2011). Cobb-Walgren, Ruble, and Donthu (1995) found that even though celebrity endorsement strategy will acquire promoting the brand with the higher advertising budget however it is proven to produce a higher level of brand equity.

In addition, Keller (1993) argued that the use of celebrity endorsements in an advertising strategy could enhance the marginal value of the advertisement expenditures and create brand equity which is beneficial to the consumer and the firm itself (Keller, 1993). Advertisers are looking at celebrity endorsement because it is a fast and effective method to create awareness, increase brand loyalty, gain perceived quality and strengthen the brand association which is the overall brand equity of a product. A research suggested that celebrity endorsement not only contribute to brand equity dimensions but act as enhancer for its influence towards the purchase behaviour as well (Low & Lim, 2012). It has been highlighted in past literature that brand equity is important as it can also act as mediating effect on the relationship between celebrity endorsement and purchase behaviour of consumers. The brand equity is seen to bring great impact on sales of the products which being endorsed by celebrities. When a brand or product is promoted by a well-known personality, it helps to increase the volume of sales whereby it stimulates brand recall which influence the purchase behaviour of consumers. Marketers usually use celebrities in their advertising strategy not only to increase sales but to create the brand equity as well (Dengra, 2013).

Therefore to study the factors that influence purchase decision, it is vital to study the consumer's behaviour by understanding what exactly they want in a product and what factors influence them to purchase the product (Lew & Zuraidah, 2014).

### 1.3 Problem Statement

Generally, when local consumers are asked about the products of national brand, not all Malaysian consumers are able to recall the name and its attributes. In fact, most of Malaysian brand still has not achieved national recognition especially in the context of food branding. Consumers are served with many choices of food brands including the local and the international brand names. But when giving options of different brands, Malaysian consumers would purchase international brands over the local one (Goi & Chieng, 2011).

This issue arise as evidence from the inconsistency in purchasing behaviour of consumers towards local food brands. The number of sales projected shown that local food companies are having low and inconsistent purchases from consumers. As the main purpose of this study is to determine the actual purchasing behaviour of local food brands, it is important to observe the evidence of the purchasing and consumption rate of local food brands among Malaysian consumers. From the latest annual report in Bursa Malaysia, actual purchase behaviour of local food and beverage brands is still low and unstable as evidence by the sales growth of local brand companies which are lower than foreign-owned companies and fluctuating for the past 5 years. In comparison to the foreign-owned companies, it could be seen that their sales growth is increasing steadily and in higher amount. Food and Beverage (F&B) companies that listed in Kuala Lumpur Stock Exchange (KLSE) under consumer sector is chosen for analysis because the companies' annual reports are publicly available and the data are easy to obtain (Tze,Lay & Boon, 2011) . Besides, these public listed companies are chosen because they are established companies with a profit track record of three to five full financial years and companies with a sizeable business that play a major part in food and beverage industry in Malaysia.

Table 1.1:  
*Annual Sales of Food and Beverages Companies*

Year	2014	2013	2012	2011	2010
Public Listed Companies/Sales (RM million)					
<b>Rex Industry Berhad</b>	145.0	156.9	138.9	141.8	135.5
<b>Power Root Berhad</b>	306.8	279.3	217.0	184.8	153.1
<b>Hup Seng Industries Berhad</b>	262.2	251.4	247.8	240.2	219.0
<b>Kawan Food Berhad</b>	149.5	126.4	110.2	104.0	92.1
<b>Dutch Lady Milk Industries Sdn Bhd</b>	1000.2	980.1	882.2	810.6	696.6
<b>Nestle Malaysia Berhad</b>	4809.0	4788.0	4556.0	4247.0	4026.0
<b>Fraser &amp; Neave Holdings Bhd</b>	2574.0	2431.0	2468.0	2879.0	3564.0

Data extracted from annual reports 2010-2014 (Bursa Malaysia)

Ming (2007) through her research on organic food stated that purchase behaviour and consumer's demand can be determined through the pattern of sales and revenue of the products. This is supported by Armstrong, Morwitz and Kumar (2000) who stated that a good predictor of an individual's future behavior is his or her stated intention. However, past behavior itself is also important to predict the future behaviour. The past behaviour which can be reflected through past sales indicated that both intentions and past sales are useful for forecasting future sales. Hence, by observing the pattern of sales from local based companies, it shows that the actual purchase from consumers towards local food brands is still low.

Next issue arise from the amount of imported food which could be seen higher than the amount of exported food. This is as evidence from the growth pattern of imported food and beverages which has shown a steady increment from the year 2009 to 2013. An amount of \$10 billion of imported food and beverage products recorded in the year 2013, which had 6% increment from previous year. Imports of food products are also reported to grow at the same

rates for the next five years (Loh,2014). Besides, the latest news shows that Malaysia's export in 2015 is expected to slow down to 1.5 % compared to 6.4 % last year while import will increase to 6 % compared to 5.3% last year as manufacturers buy more from foreign countries to meet global demands (Ngui, 2015). This shows that Malaysia remains as net importer for food and beverage industry and as evidence that Malaysia still depends on imported brands and has low demand for local food brands (MITI, 2011). Overall, food production in Malaysia can still be considered small as the country is depending more on import of both processed food and several agricultural raw materials (Wan,2013).

Table 1.2:

The Table below provides an overview of the size of the import market for food and beverage products over the five years.

*Imports of Food and Beverage Products in Malaysia*

<b>Imports of Food and Beverage Products (US\$ million)</b>					
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Meat &amp; meat preparations</b>	421	532	661	713	805
<b>Fish &amp; fish Preparations</b>	584	684	862	906	889
<b>Dairy products, eggs &amp; honey</b>	432	611	817	842	1012
<b>Edible vegetables</b>	532	721	737	709	824
<b>Edible fruits &amp; nuts</b>	252	302	364	415	505
<b>Coffee, tea, mate &amp; spices</b>	284	392	475	437	468
<b>Processed meat, fish &amp; seafood</b>	75	78	98	129	140
<b>Sugar &amp; sugar preparations</b>	692	909	1095	1175	1074
<b>Processed cocoa products</b>	873	1144	1300	1167	1086
<b>Processed cereal products</b>	415	511	612	660	724
<b>Processed vegetables and fruits</b>	180	219	267	293	320
<b>Miscellaneous processed foods</b>	429	590	732	868	941
<b>Beverages</b>	296	374	586	685	778
<b>Total</b>	<b>5465</b>	<b>7067</b>	<b>8606</b>	<b>8999</b>	<b>9566</b>

USDA Foreign Agricultural Services (2014)



This scenario is supported by the steady stream of foreign brands that enter into Malaysian market. This situation is becoming more crucial when global hypermarket chains are building significant presence in Malaysia (PWC, 2013). Through globalization, modern retail outlets started to dominate the retail sector in Malaysia especially the foreign-owned retailers who served abundant choice of imported brands. In 2005, 83% of hypermarkets in Malaysia were foreign-owned such as Jaya Jusco (Japan), Carrefour (France), Giant (Hong Kong), Tesco (UK) and Makro (Holland) (Norshamliza & Batt, 2013). The growth of international hypermarket retailers into Malaysian market is rising as evidence from the Tesco which owns a (30%) market share of the Malaysian hypermarket industry by sales, followed by Giant (24%), Jusco (22%) and Carrefour (15%) (Seelan, 2010). As a result, the presence of these retail chains increases the popularity of international brands in their stores. This sticky situation has brought to lower market demand for domestic brands thus become a hassle to the domestic food and beverages companies. Eventhough some actions can be taken to compete with the mushrooming number of international brands, most of them are not practically viable due to impact of globalization and the opening of multinational companies in this country (Wanninayake & Chovancova, 2012). With the expansion of foreign-owned companies and multinational companies to Malaysia, local manufacturers also felt intense pressure to intensify their competitive strategies in order to compete against these foreign companies (Anic, 2010). The impressive growth of international hypermarket chains and multinational companies in Malaysia has exposed local consumers to wide range of international food brands. This issue has affected the purchasing behaviour of consumers who are now becoming savvier in their purchasing decision especially towards food products.

There are a number of potential influences contributed to the purchasing decision of consumers. One of the factors is from the modern marketing strategy that utilizes celebrity to endorse a particular brand for which research has shown that celebrities bring positive effect on the overall branding communication. Although little study has proven this issue in quantitative terms, which is to obtain any direct relationship between celebrity endorsement and increase in

sales, celebrity endorsements have been gaining higher levels of acceptance as an important tool to build brands by creating positive associations and building unique personalities (Roll, 2006). Lew and Zuraidah (2004) pointed that there is perception that Malaysian goods are of lesser quality due to its poor advertising strategy that is not really impactful in attracting consumers. In the meantime, Tan (2012) stressed that many local brands are not well differentiated and providing advertising strategy that is not unique. As a result, consumers will depend on the brand equity to compare the brands.

Due to the advertising market which is now very competitive, advertisers are turning to celebrities as endorsers. Companies expected not to just attract consumers but also to transform the attraction into actual purchase behaviour (Mazzini, Rosidah, & Lennora, 2011). In recent years, the application of celebrity endorsement in modern marketing has been gaining a momentum in Malaysia yet it has been so challenging. Many businesses have focused more on trending techniques to compete with their business rivals and to be more attractive to promoting their products. With increasing competition in advertising world and introduction of new product continuously, advertisers are forced to use attention-grabbing media stars to gain consumer's attention. However, Malaysian consumers often exhibit different perception towards the use of celebrity in endorsing brands. Research by Pizza Hut Delivery (PHD) Malaysia and Pulse Group found that negative perception towards particular brands can occur due to overexposure of celebrities in ads and associating brands with their disliked celebrities. Studies found that 47% of consumers are sick of overused celebrities especially the one that they dislike. On the other hand, 56% of consumers revealed that they are willing to purchase on brands associated to their favourite celebrities. In a country divided by two major races (the Chinese and the Malays) it was reported that urban Malaysians especially Chinese begin paying attention to the use of celebrities in endorsing a brand but preferred Hollywood stars over local celebrities while Malay preferred home-grown celebrities. In fact, in Malaysia consumers can be categorized into celebrity-obsessed (14%), celebrity-positive (49%) and celebrity- neutral (37%). Malays tend to be celebrity-obsessed and celebrity-positive. Such findings

concluded that Malay consumers show higher preference towards celebrity marketing (Kwan, 2011). Hence, it is vital to know how much celebrity endorsement brings influence towards purchasing behaviour of Malaysian consumers.

Furthermore, with the presence of celebrity endorser, a study suggested it can act as an enhancer to add value to brand equity dimensions which influence the purchasing decision (Low & Lim, 2012). In fact, a celebrity endorsement is argued to be a tool to increase the marginal value of the advertisement expenditures and create brand equity (Keller, 1993). Numbers of literature have proven that brand equity which consists of brand awareness, perceived quality, brand image and brand loyalty as the guarantee for consumers to purchase the product. Yet little literature has proven that these dimensions have influence on actual purchase behaviour in the context of food and beverage industry especially in Malaysia. Goi and Chieng (2011) supported that with the aid of strong brand equity, it is likely to influence consumer preferences and purchase intention. Hence, due to the limited study in this area, this research is conducted to analyse such effect especially in Malaysian food brands.

To sum up, it is vital to understand the consumer's differences in purchasing behavior to suit their complex needs. In a multi brand market almost every customer has his own individual pattern of purchases through time. Many researches in the consumer behavior literature have involved in attempt to understand why consumers purchase and what factors influence consumer purchasing decision (Yakup & Ahmet, 2014). However, there have been little studies written on consumer's purchasing behaviour in the context of food and beverage industry especially in Malaysian market. Today, this industry becomes the main concern due to changes in consumer's behaviour in purchasing food and beverage products (Wan, Abu Bakar & Lili, 2005).

Due to this, issue arise which is the lack of studies regarding actual purchase behaviour as dependent variable but most of research used purchase intention as dependent variable. Previous studies also focused on different settings such as of different countries, institutional, business environment and industries (MITI, 2011). Another issue arises when research suggested that predicting purchasing intention is not necessarily linked to predicting purchasing behaviour, so this study focuses more on analysing the purchasing behaviour instead of repurchasing intention (Carvalho, 2011). Hence, the purpose of this research is mainly to study the Malaysian food brands by assessing the relationship between celebrity endorsement and actual purchase behaviour of consumers and the impact of brand equity constructs as mediating role. Understanding these relationships is useful since this practice may provide with insights into the reason of why there is low actual purchasing behaviour towards local food brands. By knowing the criteria of celebrity endorsement and dimension of brand equity that influence the actual purchase behaviour of local food brands, manufacturers can determine the most important factor to be focused on to increase consumer's actual purchase (Wan, Abu Bakar & Lili, 2005).

#### **1.4 Research Questions**

- 1) Is there any relationship between celebrity endorsement and actual purchase behavior among consumers?
- 2) Is there any relationship between celebrity endorsement and brand equity?
- 3) Is there any relationship between brand equity and actual purchase behaviour?
- 4) Does brand equity mediates the relationship between celebrity endorsement and actual purchase behavior of local food brands?

## **1.5 Research Objectives**

- 1) To examine the relationship between celebrity endorsement and actual purchase behavior among consumers
- 2) To examine the relationship between celebrity endorsement and brand equity
- 3) To examine the relationship between brand equity and actual purchase behaviour among consumers
- 4) To examine whether brand equity has mediating effect between celebrity endorsement and actual purchase behavior

## **1.6 Significance of Study**

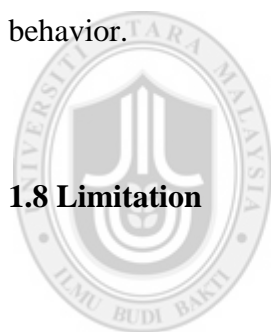
The findings of this research will be useful for the development of branding strategies among local entrepreneurs and manufacturers. This study will aid business owners to acquire a better understanding on the important factors that contribute to the actual purchase behaviors among consumers. This research also allows Ministry of Domestic Trade, Co-operative and Consumerism (KPDNKK) and Ministry of International Trade and Industry (MITI) to construct effective branding strategy for local food industries in order to guide them in promoting local food brands worldwide. The findings could be applied as the basis in formulating government assistance programs for local entrepreneurs and manufacturers especially in training programme. Besides, it will give important insights to marketers by examining the significant influence of celebrity endorsement as advertising strategy and significant dimensions of brand equity that valuable to consumers. As a conclusion, this study provides solution to assist programme and highlight the alternative approach for the growth of local food industry which is based on the perception of consumers.

## 1.7 Scope of Study

This study does not delve into local food products holistically. In fact it covers the local food products mainly from food and beverage industry in Malaysia. The packaged goods from local food industry are the main concern. This study attempts to look at local food brands that affected by brand equity dimensions while considering the packaged foods category as the main target. The scope of study is also limited to the determinants of celebrity endorsement on actual purchase behavior among local consumers. Penang is chosen as location of fieldwork which includes the main land area and the island region. Penang was selected because of its heterogeneity and diverse population that can represent consumers in Malaysia. Besides, this study also intended to cover the mediating effect of brand equity between celebrity endorsement and actual purchase behavior.

## 1.8 Limitation

There are some noticeable limitations encountered during collecting the data. Firstly is the sample size which is only targeted consumers in Penang so this research does not reflect actual purchase from other states. Secondly is the time constraint due to the time frame allocated to complete the research and to collect data from in less than 14 weeks. Besides, the scope of food and beverage products in this research is from packaged foods only which are insufficient to consider that the results are the most applicable to all contexts of food and beverage industry. No food categories were investigated. This study only generalized on food packaged products which can further be focused on a few categories like condiments, dairy products, frozen products and so on. Food and brand categories are essential and should be examined to identify the most preferable local brand categories from consumers. In addition, the research only conducted survey from consumer's perspective and does not consider the views and policies from the organization's perspective.



## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter provides comprehensive overview of literature pertaining to the research. It starts with literature of actual purchase behaviour. It is then followed by literature of celebrity endorsement adopted from theory of Ohanian (1990) that comprises of attractiveness, trustworthiness and experience. Last section will define and describe the literature about brand equity which adopted the theory of Aaker and Keller proposed by Nasreen et al. (2015) that comprises of brand awareness, brand loyalty, brand image and perceived quality.

#### **2.2 Actual Purchase Behavior**

According to Ming (2007), behaviour is the observable act presented by the consumer based on their own rights in a given situation with respect to a given target. A single behaviour of consumers can be observed across different contexts and time to get an accurate measure of behaviour. Predictions of behaviour can be seen from the result of the interaction between a defined set of variables. The relationship between each of the variables is vital to identify an individual's actual behaviour. The variables that determined the actual behaviour are through the interaction of individual behavioural intention which in turn driven by the variables of attitude and subjective norms. This is based on the Theory of Reasoned Action proposed by Ajzen and Fishbein (1975), which claimed that individual behaviour is determined by the individual's intention towards the behavior. In terms of purchasing behaviour, this theory also pointed that there is a variation in the way consumers encounter purchasing decision. Consumers may

have control over their purchasing behaviour which is through their own feelings and can also be influenced by others (Socio-economic Research and Intelligence Observatory,2008). However, research has shown that the predictive validity of intentions is doubtful and models ignoring this will not only lead to inaccurate forecasts but will also provide biased estimates of the relationship between intentions and purchasing behavior (Morwitz & Schmittlein, 1992). Rangsima and Wahloonluck (2013) also argued that purchase behavior is actually different from the attitude and intention because it projected the real behaviour not only the intention. Rimal,Fletcher & McWatters (1999) also agreed that there is often a difference between consumer's actual purchase behaviour and their intention to purchase. Consumer's actual purchase behaviour is often reported to be inconsistent with purchase intention. Therefore, for a purchase behavior it is important to observe the complete process of the buying and purchase action that actually happened in the store (Rangsima & Wahloonluck, 2013).

Therefore, Jamal (2013) suggested that purchase behaviour is the willingness and readiness of consumers to purchase a certain brand or service. Sharma (2014) added that for a purchasing behaviour of consumer, it involves the decision process and act of individual in buying and using the product itself. In the meantime, Jamal et al. (2012) on a study towards local brand described that actual purchase behaviour is associate to the real purchase of a product which involves decision processes and consumer involvement in purchasing and using the product or simply as purchasing products for personal consumption. Actual purchase behavior is also evident when a consumer goes through all the relevant steps of purchasing a product. Nevertheless, purchase behavior is also reported to be inconsistent over time so it is important to study the buyer's repetitive buying condition (Rangsima & Wahloonluck , 2013).



### 2.2.1 Definition of Actual Purchase Behaviour

Table 2.1

*Definition and Theories of Actual Purchase Behaviour*

Year	Major Contributors	Concepts of Actual Purchase Behaviour
1975	Ajzen & Fishbein	Consumer purchase behavior focus on the theoretical relationships of intention ,which derives from the attitude and behavior of consumers that are encompassed in the Theory of Reasoned Action or TRA
1985	Ajzen	The Theory of Planned Behavior (TPB suggests that intention is determined by three factors: attitude, subjective norm, and perceived behavioural control. Behaviour, on the other hand, is determined by the individual's intention to perform the behavior[
1995	Cobb-Walgren et al.	Purchase intention is an indicator for purchasing behaviour of consumers as it had been proven to be significantly related to brand and branding
2003	Brown	Consumer with intentions to buy certain product will exhibit higher actual buying rates than those customers who demonstrate that they have no intention of buying.
2006	Hamin & Elliott	Consumer purchase behaviour is not only important for marketers or companies, but also for Government, which help the Government in planning its strategies to support and co-operate with public and private sectors to motivate consumers to purchase local brands in order to improve the national economy
2009	Kotler & Armstrong	Actual purchase behavior is evident when a consumer goes through all the relevant steps of a purchase which involve the method of payment, choosing the brand and package, location of purchase, as well as all the other factors related to purchasing a particular brand.
2013	Barber & Taylor	Another aspect of actual purchase behavior is accurately estimating consumers' willingness to pay the maximum price for a product
2013	Jamal	Purchase behavior is an individual's readiness and willingness to purchase a certain brand and involve in the consumption through process of buying or using the goods which can be measured through the amount that individual buy or use

Studying and understanding the consumers' purchase behaviour can also help in identifying important influences on consumers' decision-making. Celebrity endorsement is argued as one of the concepts that influence consumer's purchase behaviour. The image celebrities' project to consumers can be their ability to attract attention and awareness of consumers to buy a product which regards as one of the most effective advertising approach (Dzisah & Ocloo, 2013).

## 2.3 Celebrity Endorsement

According to theory of McCracken (1989), celebrity endorsement is described 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” (Syed & Raja, 2014). Basically, a person who is known by the public could be defined as celebrity endorser (Blackwell, Miniard and Engel, 2001). Celebrities like movie stars, singers, and famous athletes are widely used in television advertisements to influence consumers' brand choice behaviour (Ghani & Kahakel, 2011). Based on this definition entertainer, politician and other public figure also could be categorized as celebrity. Celebrities have the ability to grab the viewer's attention, and it helps to spread into every advertising spots (Miciak and Shanklin, 1994). People are in love with celebrities because the matching personality, admiration, comfort and familiarity which pull them to watch the celebrities in the ads (Ahmed, Farooq & Iqbal, 2014).

Generally, celebrity endorsement is known to be one of the tools to communicate the brand image. Since it becomes an easier tool to promote the brand to public, it is believed that there is higher possibility for potential consumers to recognize the brand that get endorsed by celebrities compared to brands that do not. Most of the times, consumers have been chosen as product endorser because they have experience in using the products and can promote to the same target group. However, recent trend shows that actor or actress and well-known athletes who are closely associated to the products are more likely to be chosen as endorser. When consumers could associate a product with an endorser, they could easily recall the brand and consequently influence them to purchase the product (Zabid, Jainthy & Samsinar, 2002).

In highly competitive market, a lot of food brand companies use celebrity endorsement in advertising or as a marketing strategy (Xiao, 2006). In today's intense environment, advertising also plays an important role to create awareness

among consumers. Communication channels for advertising include television, cinema, radio and billboard (Ukpebor & Ipogah , 2008). If the consumers saw advertisements in any medium with their favourite celebrity, it can stimulate their purchase intentions. In fact, purchase intention easily affected by external factors including word-of-mouth, product attributes, price and endorser. Since consumer's purchase intention easily aroused by promotional strategies, therefore reaction towards promoted products easily influenced by the image presented by the celebrity (Au-Yeung, 2012).

Image of the celebrity can be increased when involving in celebrity endorsement strategy which at the same time makes the advertisement looks more attractive (Mathews et al, 2008). Due to this, celebrity endorsement is decipher as the ultimate and ideal promotional strategy for marketers as the consumers will get attracted towards the attractive advertisement of those brands which also reflect their personality, values, beliefs and most importantly their desires (Ghani & Kahakel, 2011).

Agrawal and Kamakura (1995) concluded that the advertisements using celebrity is more effective than the advertisements that doesn't use celebrity which shows a great contrast between the presence of celebrity and non-celebrity. Researches have shown that celebrity endorsement able to produce advertising effectiveness, brand recognition, brand recall, purchase intentions and even purchase behaviour (Till et al., 2008).

This is supported by Kaikati (1987) who claimed that celebrity endorsement has developed many theories and it has seen in application for a long time. Therefore theories and definitions of celebrity endorsement are presented in the table below to show its development from its establishment since the year 1979.

### 2.3.1 Definition of Celebrity Endorsement

Table 2.2  
*Definition and Theories of Celebrity Endorsement*

Year	Major Contributors	Concepts of Celebrity Endorsement
1979	Friedman & Friedman	Individual who is known to the public for his or her achievement in areas unrelated to the endorsed products
1985	McGuire	Source Attractiveness Model
1989	Kamins, Brand et al.	Celebrity endorsement and purchase intentions
1989	McCracken	Someone who enjoys public recognition and who uses this recognition to promote products by present in advertisement
1990	Ohanian	Credibility measurement scale of celebrity endorser : attractiveness, trustworthiness and expertise (source credibility model)
1998	Till & Shimp	Effectiveness of celebrity, the positive and negative aspects of celebrity endorsement
1999	Gwinner & Eaton	Fitting of celebrity with the endorsed product
2000	Daneshvary & Schwer	Association of celebrity and its effectiveness
2001	Dean & Biswas	Positive financial returns will occur when the company uses celebrities in advertisements due to the increase of image, customer's attention, recall rate and probability to purchase.
2002	Busler	The relationship of product differentiation and endorser
2004	Silvera & Austad	Individual who endorsed the product, the product itself, and societal conditions of the advertisement are among the factors that contribute to the effectiveness of advertisement.
2005	Amadi	Profitability of celebrity endorsement
2001	Erdogan et al.	Celebrities are able to influence consumer to purchase a product due to its ability to create lasting impression in the mind of consumer
2006	Subhadip	Celebrity endorsements started in 1870s when Reverend Henry Ward Beecher (brother of famous litterateur Harriet Beecher Stowe) endorsed Waltham watches in a print advertisement in Harpers Weekly
2008	Shimp	Companies that use celebrity endorsement will gain profit when the revenue generated from the advertising exceeds the advertising expense. Celebrity is believed to enhance the brand's perceived quality and increase the prices of products for the consumers are willing to pay more for better quality products. TEARS model also been introduced which include the credibility (trustworthiness and expertise) and attractiveness (physical attractiveness, respect, and similarity) of endorser.
2009	Lear et al.	Strong exposure of celebrity endorser in the advertising campaigns few months before a product is released can gain higher demand of product and create product awareness.
2010	Aaker & McLoughlin	Celebrities are strong influence for the consumers to repurchase a product and stick to the same brand due to their attribute that consumers admire and considered them as role model.
2012	Chan	There are five factors affecting the effectiveness of celebrity endorsement which can be divided into two categories which is source-based factor(celebrity image) and management-based factor(management of celebrity).

Since most of the marketer would like to use a celebrity as an endorser to promote their brand and generate profit to the company, using a right celebrity who can maximize the effectiveness of promoting brand is very important for the company (Chan, 2012). In order to achieve a breakthrough advertising campaign, the advertisers need to perform a thorough process in selecting the celebrity. An ideal celebrity is not only attractive but should also have high credibility. These aspects are important to most customers as they have different preferences. Some customers prefer those celebrities who are credible and trustworthy, while some customers prefer who are attractive and have charming physical appearance, and some customers take into account both of these dimensions (Mathews, 2008).

In fact according to different researchers, there are various criteria for the selection of celebrity. A few theories have been developed based on some different criteria presented by celebrities. Table below presented a few criteria for celebrity endorsement.

Table 2.3

*Criteria for the Selection of Celebrity*

No	Authors and Years	Criteria
1	Horai, Naccari et al. (1974)	Credibility of celebrity
2	Havlena & DeSarbo (1991)	Risk related to the celebrity
3	Solomon, Ashmore et al. (1992)	Celebrity and audience match-up
4	Peli, Lee et al. (1994)	Trouble factor in face recognition
5	Veen (2004)	Saturation factor
6	Turner (2006)	Success of a celebrity
7	Powell, Jonathan Hardy et al. (2009)	Cost associated with celebrity endorsement
8	Sliburyte (2009)	Credibility, knowledge, the pleasant appearance, reputation and celebrity resemblance to product
9	Tyler and Bennett (2009)	Working ease and difficulty
10	Liu, Huang et al. (2007); Liu (2011)	Celebrity and brand Match-up

In the meantime, choosing the right criteria for celebrity endorsement is important in marketing strategy so that awareness of the brand can be raised, revenues and sales can be achieved as well as having a differentiated products from those competitors (Ohanian, 1990). According to Erdogan et al. (2001), managers should select celebrity endorser that matches with the type of product and the endorser's characteristics. When the managers decide to use celebrity endorsement strategy in their advertising approach, there are a few source factors that need to be looked upon in order to fit the endorser with the right criteria (Dimed & Joulyana, 2005).

### **2.3.2 Source Credibility**

Credibility can be described as the source of having relevant knowledge, skills, experience and trust towards providing information to the receiver. In addition, credibility is also described as the need to be trustworthy which measured in terms of honesty, ethics and believability (Dimed & Joulyana, 2005). These two attributes are the main determinants for source credibility model which is discussed below.

- **Expertise**

Expertise included the knowledge, experience or skills that individual had. Products that get endorsed by an expertise who has experience in that area proven to have a positive effect on purchase intention (McGuire, 1985). According to Zhang et. al (2011), the word fit for instance is closely associated to the term expertise of the athletes .It shows that athlete would be more successful in endorsing the products related to performance in a specific game. Ohanian (1990) found that celebrity with experience is more effective and able to increase credibility as endorser compared to the element of attractiveness and trustworthy. Perceived expertise of the celebrity is

also consistently related to consumers' likelihood to purchase the product due to the level of persuasiveness that the endorser holds.

- **Trustworthiness**

Trustworthiness is the most desirable criteria rated by the customer because of its intangible element that provides value on the celebrity in a positive way. This criterion looks subtle but it gives lasting impact once the customers have trust and confidence on that celebrity (Moynihan, 2004). Trustworthiness within the context of celebrity endorsement is described as honesty, integrity, and believability of the celebrity which instil confidence and acceptance by the consumers. For a long term impact it helps to influence consumer's beliefs, opinions, attitudes and purchasing behaviour (Oyeniya, 2014).

Anyone who can positively or negatively influence the consumer's attitude is called as reference group and celebrities are considered as the most reliable reference group in advertising campaign (Escalas & Bettman, 2005).

### **2.3.3 Source Attractiveness**

Many researchers prove that the outer look and physical attractiveness is one of the elements that contribute to the effectiveness of celebrity endorsement. Basically, attractiveness is defined as the pleasant appearance presents by the celebrity that draws people to purchase any product. The visual elements of an advertisement that portrays a sense of attractiveness in celebrity will develop a positive attitude for customers to make a purchase (Ahmed, Farooq & Iqbal, 2014). But according to Bower & Landreth (2001) the highly attractive models are not so much effective in advertising. There are many dimensions of attractiveness which are difficult to determine and it cannot be defined through a single dimension (Caballero

& Solomon, 1984). However, the attractive faces usually become the best indicator in influencing social judgements (O'Doherty, Winston et al. 2003). Marketers always treat the physical attractiveness as one of criteria in choosing endorsers since it could influence people's attitudes on the advertisement and the products (Kahle and Homer, 1985). Attractive endorsers are argued as more favorable than unattractive endorsers. (Till and Busler 2000). Yet, beauty and outlook is not the only matter because the non-physical attributes also play an important role in determining the effectiveness of celebrity endorsement such as achievements, tact and intelligence (Kamins, 1990; Sliburyte, 2009). Consequently, three attributes of attractiveness is elaborated below.

- **Similarity**

Consumers are usually influenced by a message originated from someone with whom having a sense of similarity with them. Similarity can be measured if endorser and consumer have similar needs, interest, goals and lifestyle (Dimed & Joulyana, 2005).

- **Familiarity**

Familiarity is defined as the level of knowledge an endorser has with the brand. In selecting a celebrity for an advertising activity, the celebrity's previous knowledge need to be assessed and analysed in order to know how the celebrity will utilize the knowledge to ensure that the message is communicated to the consumer's effectively (Belch & Belch, 2001).



- **Likeability**

Likability is a degree to which a celebrity is adored and admired or at least well known by the audience. To catch the eye of targeted audience, celebrity should be popular in the market and have extravagant characteristics. A celebrity should be favourable yet not to overshadow the main target of advertising which is to promote a product and attract consumers to buy a certain brand.

To conclude, the source models above are aimed to create effective message to the consumers. By having the right criteria it can enhance the delivering and receiving of message which is suitable with the endorsed brands. In fact celebrity endorsement would be able to influence the image of the brand especially when the brand and celebrity image fit together.

#### **2.3.4 Celebrity Endorsement and Brand Equity**

In the world of advertising, using the approach of celebrity endorsement is also argued to have influence on brand equity whereby in brand building it can influence customer's brand preference, brand attitude or brand awareness, brand association, brand loyalty and purchase intentions (Ohanian, 1990).

Furthermore, Keller (1993) also stated that celebrity endorsement becomes an advertising strategy that is able to enhance the value of advertisement while at the same time creating brand equity through the association of celebrity with a brand. Through ample research in consumer goods industry there is evidence that celebrity endorsement has positive relationship with brand equity. However the impact of brand equity differs from country to country (Jafar, Adidam & Prasad, 2011).

## 2.4 Brand Equity

There has been growing interest among practitioners and academicians towards the term brand equity since it has emerged in the 1980s. Since then, the meaning of brand equity has been debated in various ways and for various purposes (Tong & Hawley, 2009). Basically, brand is an identity of a specific goods and services which comes in various forms including a name, sign, symbol, color combination or slogan (Tan, 2012). Brand plays an important role and becomes a key to success in attaining a higher profit margin if it is managed effectively by the company. Ukpebor and Ipogah (2008) stated that brand name has power to drive customers in making a purchase due to mental association and relationship engaged with the seller. Irfan et al. (2013) also pointed that there are certain functions of the brand which have a strong influence on the purchase intention of the consumers which will transform to actual purchase behavior. In fact, brand is valuable for it has the ability to simplify customer decisions, reduce risk and define their expectation (Mohammad, Maryam, & Reza, 2012).

In today's competitive market, branding is not only a technique of marketing strategy to gain profit and sales but also a technique to gain competitive advantage. Some multinational companies are able to build their intangible brand value and turn into lucrative amount of worth which is larger than the value of its tangible assets. In order to increase a brand's value, it must first gain the support from the customers through brand equity building (Bryan & Jimmy, 2009).

Brand equity is considered as important intangible asset that provides value for both companies and consumers. Brand equity assets bring benefit to consumers in a way that it helps in interpreting, processing and keeping information about a product. It also assists in making buying decision through the quality and familiarity of the brand. In other extent, brand equity provides value to companies by generating marginal cash flows in many ways. It able to gain higher margins by providing premium pricing that consumer willing to pay since

satisfaction with the brand is achieved (Bornmark, Goransson & Svensson, 2005). In terms of local food brand management, brand equity acts as important component in assisting managers to attain competitive advantage and make the right management decision. Brand equity can also be one of the appropriate metric to evaluate long-term impact of marketing decision if it being measured correctly (Tong & Hawley, 2009).

The term brand equity in previous researches can be defined and applied in many ways therefore table below presents the theories of brand equity since the year 1980s.

#### 2.4.1 Definitions of Brand Equity

Table 2.4  
*Definitions and Theories of Brand Equity*

Year	Major Contributors	Concepts of Brand Equity
1989	Farquhar	Added value in the products and services and can be changed based on consumer's perception
1990	Simon and Sullivan	Evaluated through financial perspective that refers to market value of a company's asset. To estimate company's brand equity, a financial-market-value-based technique is conducted. Stock price is used as a basis to evaluate the value of the brand equities.
1991	Aaker	A set of brand assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm or customers. Type of measurement is through brand loyalty, brand association, brand awareness, perceived quality and proprietary assets
1993	Keller	Measurement through customer's point of view (customer based brand equity that considers customers involvement with particular brand in the past. It is differential effect that brand knowledge has on consumer response to the marketing of the brand. The differential effect is determined by comparing consumer response to the marketing of a brand which can be measured by brand knowledge that involves brand awareness and brand image. It occurs when the consumer is familiar with the brand and holds some favourable, strong and unique brand associations in memory.
1993	Kamakura and Russel	Customer based brand equity can be measured through a

		method that is based on the actual purchase choice data from a single-source scanner data. It is based on two measure of brand value: i) perceived quality, the value assigned by consumer to the brand after discounting for current price and recent advertising exposures; and ii) the brand intangible value created factors such as brand name association and perceptual distortions.
1994	Young and Rubican	Brand Asset Valuator (BAV) is a proprietary brand metrics model. They are four key metrics of BAV; differentiation, relevance, esteem and knowledge. Y&R plots brands on a “Power Grid” reflecting each brand’s Strength and Stature. The Power Grid sets the strategic process by identifying the strength or weakness of a brand.
1994	Park and Srinivasan	Survey procedure to obtain each individual’s overall brand preference and multi-attributed brand preference based on objectively measured attribute levels. The approach provided an indication of the source of brand equity in terms of its attribute and non-attribute-based components.
1995	Lassar et al	Brand equity scale contains five dimensions; performance, social image, value, trustworthiness, and attachment.
2001	Srinivasan et. al.	Brand equity can be measured by four sources; brand awareness, attribute perception biases, non-attribute preferences and brand availability.
2001	Yoo and Donthu	Dimensions of brand equity had sequential effects. This could be further explained as perceived value was the antecedent of brand awareness and brand association, and both dimensions had influence on brand loyalty. As a result, consumer based brand equity is treated as a three dimensional construct, combining brand association and brand awareness as one dimension.
2005	Kim and Kim	There are four dimensions of brand equity namely perceived quality, brand awareness, brand image and brand loyalty. However only brand awareness and perceived quality had significant effects on corporate performance
2007	Gil et al.	Brand loyalty could be influenced by other dimensions of brand equity such as perceived quality. It is also proven that brand awareness and brand association had direct effect on brand loyalty
2011	Tho, Nigel and Kenneth	Compares and contrasts the role of advertising attitudes, distribution intensity, brand awareness, and perceived quality on consumer’s loyalty to international brands

According to famous theory proposed by Aaker, brand equity comprises of different dimensions such as perceived quality, brand awareness, brand image, brand loyalty and other proprietary brand assets (Tan, 2012). However, Tong and Hawley (2009) argued that among these five brand equity dimensions only the first four would be based on consumer’s perception. In short, strong brand equity means that customers have high brand awareness, maintain a favorable brand image, perceive that the brand is of high quality, and are loyal to the brand. On

economic perspectives, Tan (2012) stated that brand equity has positive impact on financial perspectives such as company's profitability, sustainable cash flow and stability of stock prices. Besides, brand equity can also be the intangible asset for the company in the sense that it creates credibility and reputation for the company. This best explains that well-established brand names create a strong platform for product extension.

Nasreen et al. (2015) further explained that original model of customer based brand equity started by Aaker (1991) involved five dimensions that comprises of brand awareness, brand associations, brand loyalty, perceived quality, and other proprietary assets. Later, Keller (1993) evaluates the brand equity in terms of two dimensions which are brand awareness and brand image. Although these two models are widely recognized, there is still no conformity on dimensions to measure the brand equity. As such, this research proposes four dimensions that measure the brand equity such as brand awareness, perceived quality, brand image and brand loyalty.

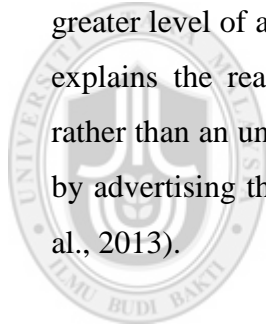
#### **2.4.2 Brand awareness**

Brand awareness is defined as the ability of a consumer to recall and recognize the brand as a member of certain product category. Recognizing a brand is the first step of brand communication that a company tries to achieve in order to establish the brand name and associate it to consumers. It also marks as a commitment from consumers as they become familiar with the brand and consider making a purchase (Xiao, 2006).

Ukpebor and Ipogah (2008) noted that intention to purchase a product can only be generated via brand awareness. Customers usually become aware about the brand when they have experience hearing or seeing it over time and

eventually the memory of the brand stuck in their mind. Basically the brand awareness constitutes of these three elements namely brand recognition, brand recall and top of the mind. Brand recall is truly the main factor to determine the level of brand awareness as it is unaided situation whereby consumers are expected to name a brand and not be given any clue.

Some researchers have supported that knowledgeable consumers who become aware about everything related to the brand have high chances of being loyal. This shows that brand awareness has a significant effect to influence purchase intention (Nasreen et al., 2015). In order to make an easier purchasing choice, it is essential for the potential consumers to be aware of a product. This is due to the fact that the product has to enter the awareness stage before it enters the consideration stage. Through this, brands with greater level of awareness would have greater tendency to be purchased. This explains the reason of why consumers prone to buy a well-known brand rather than an unfamiliar one. In spite, brand awareness can also be increased by advertising the product which endorsed by the celebrity (Fouladivanda et al., 2013).



Universiti Utara Malaysia

#### **2.4.3 Perceived Quality**

Perceived quality can be described as the perception of customers on the entire quality or superiority of a product that fits the intended purpose (Xiao, 2006). According to Tong and Hawley (2009), perceived quality indicates the value of the brand in different ways. For instance, if the brand can differentiate itself from competitors and have its competitive advantage, it is considered as a high quality brand and can influence consumers to buy.

In addition, perceived quality can increase willingness of consumers to pay a higher price due to its better quality products and increase the

purchase intention. Existence of perceived quality is also claimed as superior perception from consumers as compared to the alternative brand (Ukpebor and Ipogah, 2008).

Nasreen et al. (2015) added that perceived quality is an element which is hard to detect directly so other elements like brand image and brand name are essential in measuring quality. It is difficult for customers to make a relevant judgment about the quality. Most of the time, quality attributes are used such as colour, flavour, form, appearance of the product and the availability of production information to describe quality (Goi & Fayrene, 2011). In the meantime, a study by Jones et al. (2002) proven that there is a positive relationship between perceived quality and purchase intention. It is found that perceived quality is of utmost importance in determining brand loyalty as well as repeat purchase (Fouladivanda, et al., 2013).

#### **2.4.4 Brand Image**

Brand image is defined as consumer's beliefs and perceptions towards a specific product. By presenting a unique brand image, it will enable the consumers to recognize a product, evaluate the brand, minimize risks in deciding the product to purchase, and elevate satisfaction. A strong brand image of a product is perceived as high quality and able attract more loyal customers (Nasreen et al., 2015).

Basically the marketing activities are aimed to influence the perception and attitude of consumers towards a brand, exerting the brand image in the mind of consumer, and stimulate the consumers' actual purchasing behavior of the brand. These initiatives as a result will increase the sales, maximize the market share and strengthen the brand equity. Through brand image, it can also reflect the consumer's characteristics by

means of expressing themselves through the purchase of the specific brand. Brand image is also much related to the customer satisfaction by giving general evaluation of the overall shopping experience of certain brand. An indicator for customer satisfaction could be seen through performance of a product that achieve or exceed the consumer's expectation. Consumer's satisfaction could be attained when the product performance exceeds the expectation. In contrast, the satisfaction of consumer's will decrease when expectation exceeds the product performance (Yi,2015).

#### **2.4.5 Brand Loyalty**

According to Xiao (2006), brand loyalty is when the consumers continue to purchase the brand although the competitor offers better features, price, convenience and substantial value in the brand including symbol and slogans. Loyal consumers do not take time to assess the brand or feeling any doubtful. They just make a purchase right away confidently. This shows a commitment to repurchase from consumers and most likely they will not switch to another brand (Nasreen et al., 2015).

Generally, brand loyalty can be viewed from two perspectives; behavioural and attitudinal. From a behavioural perspective, it is defined as the extent of buying certain goods that concentrates on its purchases over a period on a particular brand within a product category without seeking brand related information (Tan, 2012). From an attitudinal perspective, brand loyalty is described as the propensity to be loyal to a focal brand as shown by the intention and willingness to buy it as the main choice (Tong and Hawley, 2009). Tan (2012) also pointed that consumers will keep on changing and testing other existing brand or the latest brand if there is the absence of loyalty towards the focal brand. He further suggested that behavioral loyalty had propensity to grow to greater market share while attitudinal loyalty led to greater relative brand pricing.



Most of model of brand equity has simplified that brand loyalty can either in the form of component or outcome of a research. Research shows that customer loyalty involves high cost especially in acquiring and retaining them. It includes the cost of advertisement, personal selling, and customer training in using the product. But most important, higher profits can be generated by loyal customers (Tho,Nigel & Kenneth, 2011). With the influence of brand loyalty, a few literatures has pointed that consumers will keep buying the brand, eventhough other competitors offer superior features, prices and convenience (Fouladivanda et al., 2013).

#### **2.4.6 Brand Equity as Mediating Role**

According to Yoo et al. (2000) brand equity with the extension of Aaker's (1991) model creates value for both firm and customers and brand equity is derived from marketing activities which focuses on a few key elements of the marketing mix such as price, store image, distribution intensity, advertising expenditures, and price promotions or from the traditional "4P" marketing activities which is known as (price, place, promotion, and product). Vahdati et al. (2014) also suggested that brand equity mediates the relationship between marketing mix and customer repurchase intention. Based on its study in banking industry, price and product has the least effect in influencing brand equity and repurchase intention while place and promotion plays an important role in branding and in the repurchase intention. On the other hand, Chen (2009) in its study on private brand, suggested that the private brand strategy in determining customers' shopping preferences is mediated by brand equity. Retailers use private brand strategy such as product quality, price, presentation, promotion, and packaging to respond to customers' demands, and then the customers will reflect this in their shopping preferences more when they make shopping decisions.

To conclude, brand equity plays an important part in influencing consumer's decision in making a purchase. With the influencing factor of marketing activities such as marketing mix it will enhance the brand equity and make the brand more powerful. Due to this, consumers will have greater brand awareness, perceive the product as higher quality, gain better brand image as well as increase loyalty towards a certain brand. As a result, it will lead to higher actual purchasing behaviour from consumers.



## **CHAPTER 3**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter starts with research framework, hypotheses, presentation of research design which describes the type of studies to be conducted, measurement of variables which is selections of instrumentation items for each variable, and data collection method to be used in the research. The data collection method includes sampling which is the measurement of population size, data collection procedures which using the survey techniques by distributing questionnaires, and technique of data analysis which involves justification for the use of SPSS 20.0.

#### **3.2 Research Framework**

The theoretical framework of this research integrates the conceptual framework of brand equity by Yoo and Donthu (2001) which is from the extend of Aaker's (1991) model. Aaker (1991) posits four dimensions of brand equity: brand awareness, perceived quality, brand association and brand loyalty. This study adopts the work of Aaker (1991) as their works have been widely accepted as valid and comprehensive.

In the meantime, the conceptual framework of brand equity that guides this study is built upon the conceptual framework of brand equity presented by Yoo and Donthu (2001). Their model was an extension of Aaker's proposal that indicated marketing activities have significant effects on brand equity, which in turn create and strengthen the equity. In general, the equity of a brand is the result of consumers'

perception which is influenced by many factors. However, brand equity cannot be fully understood without carefully examining its sources, that is, the contributing factors to the formation of brand equity in the consumers' mind. Most of the brand equity research focuses on the marketing mix variables such as advertising, distribution, price and product quality as the contributing factors (Cobb-Walgren et al., 1995; Yoo et al., 2000). ) Therefore, extant literature emphasises the need for further research identifying marketing activities that can build brand equity (Keller and Lehmann, 2006; Yoo et al., 2000).

It is undeniable that advertising is useful in building brand equity (Keller, 2005) and the assistance of spokesperson may become a tool to easily associated a brand in mind of consumer (Keller, 1993). Hence, it is suggested that using celebrities in advertising can influence brand equity whereby in brand building it can influence customer's brand preference, brand attitude or brand awareness, brand association, brand loyalty and purchase intentions (Ohanian, 1990). Since celebrity endorsement could be one of the influencing factors for brand equity, this study incorporates celebrity endorsement as the antecedent of brand equity which comprises of three different criteria to be considered as endorser namely attractiveness, trustworthiness and expertise.

Therefore, in this model, the celebrity endorsement is treated as the independent variable, the brand equity as the mediating variable and actual purchase behaviour as the dependent variable.

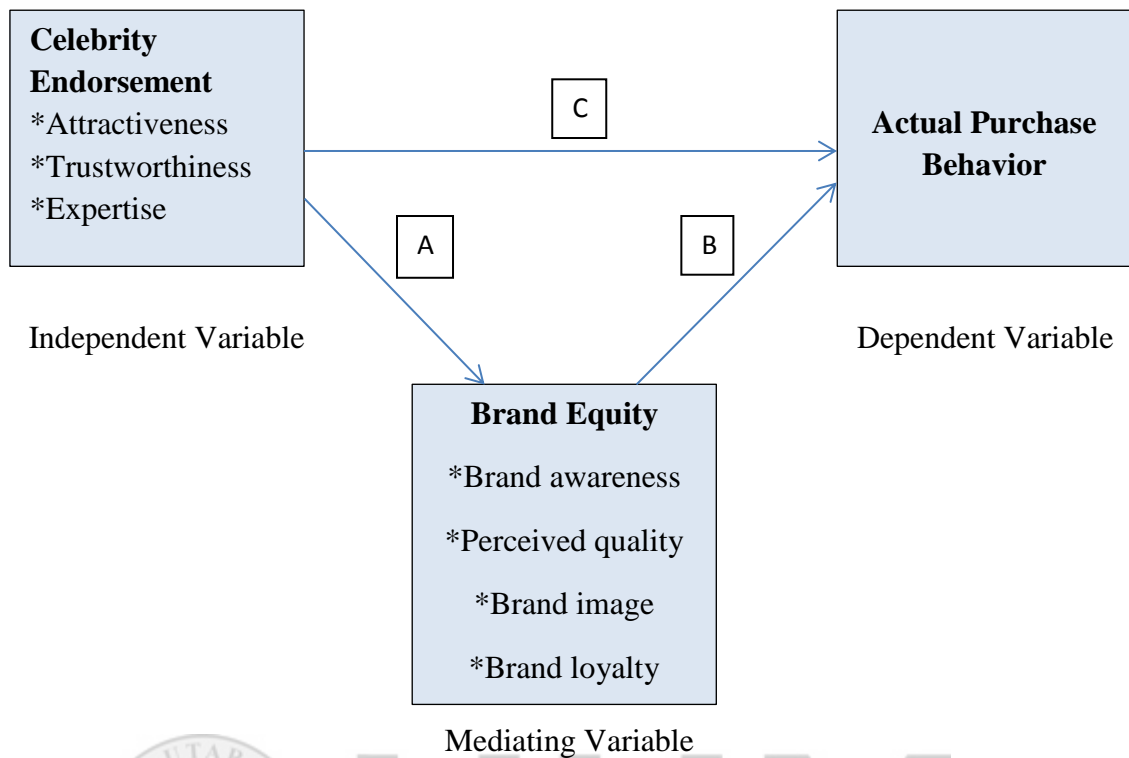


Figure 3.1  
*Research Framework*

### 3.3 Hypotheses

Based on the proposed framework, this study investigates the actual purchase behaviour of consumers towards local food brand. Kearney (2012) stated that local food can be described as food that is produced within a 100-mile radius of the store or food products produced from the same state. In this research local food brands are studied based on food and beverages industry in Malaysia which involves manufacturing companies that produced packaged food products. This study also investigates the actual purchase behaviour of consumers with the influence of celebrity endorsement as independent variable and brand equity as mediating variable.

Celebrity endorsement has been an important topic of research in marketing approach. In previous research, celebrity endorsement has been measured in terms of

attractiveness, trustworthiness and expertise of endorsers. For the criteria of attractiveness, it is seen from the physical appearance based on how attractive, classy, handsome/beautiful, elegant, and sexy the endorser is (Ohanian, 1990). According to Ohanian (1991), physical attractiveness has positive effect on consumer's behavior toward purchasing the product and service while making comparison of product with the person who is unattractive. In the meantime, trustworthiness within the context of celebrity endorsement is described as honesty, integrity, and believability of the celebrity which instil confidence and acceptance by the consumers. For a long term impact it helps to influence consumer's beliefs, opinions, attitudes and purchasing behaviour (Oyeniya, 2014). Besides, the credibility of messages can also be increased when a perceived expert delivers the message, which influences the purchase behavior of the customer (Fathi & Kheiri, 2015). As a result, celebrity endorsements is found to have influence on customer purchase behaviour and also helps to increase the volume of sales, creating a mutual benefit to the company and the celebrity (Dengra, 2013).

Hence:

H1a: There is a relationship between attractiveness of celebrity and actual purchase behaviour

H1b: There is a relationship between trustworthiness of celebrity and actual purchase behaviour

H1c: There is a relationship between expertise of celebrity and actual purchase behaviour

Celebrity endorsement can also be used to contribute on brand equity dimensions and act as enhancer for its influence on consumer's perception for which the brand purchased will bring values and benefits (Low & Lim, 2012). Keller (1993) also stated that celebrity endorsement becomes an advertising strategy that able to enhance the value of advertisement while at the same time creating brand equity through the association of celebrity with a brand. Through ample research in consumer goods industry there is evidence that brand equity has positive relationship

with celebrity endorsement (Jafar, Adidam & Prasad, 2011). Firstly, marketers often choose celebrity endorsers who are attractive, credible, or who have expertise to improve the brand equity for it able to gain a better brand image of a particular product (Hakimi *et al.*, 2011). Sivesan (2013) stated that credibility of the celebrity leads to the growth of the brand equity whereby credibility becomes the success factor in delivering a message which relies on two factors; the expertise and trustworthiness of the celebrity. Celebrity endorsers who are credible are able to improve brand credibility as well as increase the consumer-based brand equity (Spry *et al.*, 2011).

Hence:

H2a: There is a relationship between attractiveness of celebrity and brand equity

H2b: There is a relationship between trustworthiness of celebrity and brand equity

H2c: There is a relationship between expertise of celebrity and brand equity

Brand equity is basically consists of four dimensions based on consumer's perspectives. First of all, according to Tong and Hawley (2009), perceived quality indicates the value of the brand in different ways. For instance, if the brand can differentiate itself from competitors and have its competitive advantage, it is considered as a high quality brand and can influence consumers to buy. Next dimension of brand equity which is brand loyalty is described as when the consumers continue to purchase the brand although the competitor offers better features, price, convenience and substantial value in the brand including symbol and slogans (Xiao, 2006). Brand with higher level of awareness would be more likely to be purchased which explain why consumers tend to buy a recognizable brand rather than an unfamiliar one (Fouladivanda *et al.*, 2013). Besides, the marketing activities are aimed to influence the perception and attitude of consumers towards a brand by exerting the brand image in the mind of consumer, which stimulate the consumers' actual purchasing behavior of the brand (Yi, 2015).

For the consumers, brand equity could influence their confidence in purchasing a product and there is a high propensity for consumers to purchase the same product again compared to those with poor brand equity (Fouladivanda et al., 2013).

Hence:

H3: There is a relationship between brand equity and actual purchase behaviour

According to Yoo et al. (2000) brand equity with the extension of Aaker's (1991) model creates value for both firm and customers and brand equity is derived from marketing activities which focuses on a few key elements of the marketing mix such as price, store image, distribution intensity, advertising expenditures, and price promotions or from the traditional "4P" marketing activities which is known as (price, place, promotion, and product). Vahdati et al. (2014) also suggested that the marketing mix have significant relationship with customer repurchase intention which is mediated by brand equity. This implies that brand equity is derived by the marketing activities to influence the consumer's repurchase intention. Dengra (2013) added that another contributing factor in marketing activities is the use of celebrity endorsement as one of the powerful advertising strategy. Marketers usually use celebrities not only to increase the sales but to create the brand equity as well. The brand equity has seen to give great impact on sales of the products which being endorsed by celebrities. When a brand or product is promoted by a well-known personality, it helps to increase the volume of sales whereby it stimulates brand recall in the mind of consumers and influence the consumer's purchasing behaviour. Usually marketers will choose good-looking celebrity to endorse a product which is argued as the factor to increase the brand equity and lead to higher acceptance by consumer. Besides, high credibility of endorsers also leads to the growth of the brand equity which is identified that credibility of endorsers is depend on two factors such as the expertise and trustworthiness of the endorsers. With the endorser's credibility, it helps to deliver the message to consumers effectively which lead to the growth of brand equity from the consumer's perspective and in turn will attract the consumers to purchase the product. The brand equity is therefore argued to be influenced by the



attractiveness and credibility of endorsers which able to increase the purchasing behaviour of consumers (Sivesan, 2013).

Hence:

H4a: Brand equity mediates the relationship between attractiveness of celebrity and actual purchase behaviour

H4b: Brand equity mediates the relationship between trustworthiness of celebrity and actual purchase behaviour

H4c: Brand equity mediates the relationship between expertise of celebrity and actual purchase behaviour

### **3.4 Research Design**

In this study, quantitative research method is used. This nature of research design can subject the data to statistical tests such as correlation and regression in order to get clearer view of the relationship between variables. For a quantitative method, survey is conducted and probability sampling with simple random sampling technique is employed whereby all the respondents have equal chances to be chosen. It is important to give everyone an equal chance of being selected because it able to avoid bias during the selection process. Thus the results of the research may be generalized from the sample to the whole of the population because the sample represents the population (Saunders, Lewis & Thornhill, 2012).

### **3.5 Instrumentation**

In this study a questionnaire form which consisted of 54 questions are constructed and distributed to 300 respondents in Penang which targeted local consumers. The questionnaire consists of four parts including structured questions in scale ratings. The first to third part of questions need to be answered using the 5 point Likert scale with degree of rating from 1 to 5 whereby “5” stands for “Strongly

agree” and “1” stands for strongly disagree. The last part of the questions is the demographic profile which demands the respondents to choose an answer in nominal scale as well as ordinal scale and there were also some open-ended questions to probe insight from respondents regarding their knowledge and perception towards local food brands. Respondents were given the survey in English as the words used is the simple one and easy to understand. There are four sections in the questionnaire which consists of Section A (Celebrity Endorsement), Section B (Actual Purchase Behaviour), Section C (Brand Equity) and Section D (Demographic Profile).

Questionnaires were coded numerically to enter data systematically and efficiently. This is also important to avoid missing of questionnaire’s data. The five item scale on celebrity endorsement consisted of instruments that cover the dimension of attractiveness, trustworthiness and experience which are adapted from Ohanian Theory (1990). Actual purchase behavior is the indicator that reflects the habits of consumers towards local food brands for which the instruments were adapted from Jamal (2013). Besides, the questionnaire attempts to determine the mediating effect of brand equity between celebrity endorsement and actual purchase behavior which also used the 5 point Likert Scale and the instruments were adapted from Xiao (2006).

In the questionnaire, each of instrument items was aimed to test the formulated research hypotheses. It was vital to ensure that the instrument accurately measured the underlying constructs or variables. Basically majority of the instruments were borrowed and adapted from previous studies which were constructed from other countries and industries. Therefore it was necessary to test the instruments before collecting the data to ensure applicability in Malaysian food and beverage industry.

The reliability of an instrument is also tested in this research which is the degree of consistency to know whether the questionnaires produced consistent findings at different times under different conditions. One of the techniques to

measure reliability includes assessing the internal consistency. It involves correlating the response to questions. To calculate internal consistency, the most frequently used measurement is Cronbach's alpha which consists of alpha coefficients with value between 0 and 1. Values of 0.7 and above is the most ideal values which indicates that the questions combined in the scale are measuring the same thing. The lesser the variation an instrument produces in repeated measurements of an attribute, the greater its reliability. In this research, the reliability occurred when the study can be referred to or applied by other researches and adopted consistent findings. The framework used can also be applied by other organizations with different samples and under different conditions (Saunders, Lewis & Thornhill, 2012).

Table 3.1  
*Measurement of Variables*

Variable	Definition	No. of Items	Scale
Actual purchase behaviour	Actual purchase behaviour Jamal (2013) stated that actual purchase behaviour is the individual's readiness and willingness to purchase or use a certain brand or service.	5	5-points Likert scale
Celebrity endorsement	Celebrity endorsement Celebrity endorsement is described 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 (Syed & Raja, 2014).		
Attractiveness	Celebrity endorser's physical attractiveness got great social appraisal and acceptability. It is a source to capture attention of audience both in print and electronic media which has positive effect on consumer's behavior (Syed & Raja, 2014)	5	5-points Likert scale
Trustworthiness	Trustworthiness refers to the honesty, integrity and believability of an endorser (Syed & Raja, 2014)	5	5-points Likert scale
Expertise	Expertise is defined as the valid assertion presented by a communicator in order to persuade the information receivers by having knowledge, expertise, high and skills in related area (Syed & Raja, 2014)	5	5-points Likert scale
Brand equity	Brand equity Brand equity is defined as the incremental utility and value added to a product by its brand name (Xiao, 2006).		
Perceived quality	Perceived quality is described as the perception of consumers on the entire quality or superiority of a product that fits the intended purpose (Xiao, 2006).	5	5-points Likert scale
Brand loyalty	Brand loyalty is when the consumers continue to purchase the brand although competitors offer better features, price,	5	5-points Likert

	convenience and value in the brand including symbol and slogans (Xiao, 2006).		scale
Brand awareness	Brand awareness is the ability of consumers to recall and recognize the brand as a member of certain product category which marks as commitment as they become familiar with the brand and consider making a purchase (Xiao, 2006).	5	5-points Likert scale
Brand image	Brand image is described as a set of association usually organized in some meaningful way that linked in the memory of consumers and create positive attitudes or feelings in customer's minds which provide a reason to buy it (Xiao, 2006).	5	5-points Likert scale

The table indicates the measurement of variables used in the study. The research instrument used is adapted from previous studies on celebrity endorsement, actual purchase behaviour and brand equity.

### 3.6 Data collection method

Data collection method includes the sampling technique which describes the use of simple random sampling, data collection procedure, and technique of data analysis which used the SPSS 20.

#### 3.6.1 Sampling

The population of consumers in Penang is estimated around 1,647,716 with population density of 1,505 every km square (Department of Statistic Malaysia, 2013). Based on Krejcie and Morgan's table in determining sample size, for a given population of 1 million, a sample size of 384 would be needed to represent a population in that area (Chua,2006).On the other hand, research by Tinsley and Tinsley (1987) reported that a sample of up to 100 entities is considered poor, up to 200 entities is considered fair, while up to 300 entities is considered good, up to 500 entities very good, and up to 1000 entities is considered excellent. The sampling

method used in this study is the probability sampling. Sampling techniques in this study using simple random sampling technique by means of the drawing respondents based on the existing population on the basis that each unit of analysis has an equal chance to become the study sample (Cooper and Schindler , 2003) .

Hence considering this recommendation, a total of 340 samples are distributed in this research. However, only 300 samples are returned and usable in this research which marked as 88% number of response rate. Penang is chosen as the area of study because it is the second biggest city after capital, Kuala Lumpur and includes large cities like Georgetown and Butterworth with availability of both modern retail outlets and traditional markets. It is also region which holds a good mixture of potential respondents with different levels of education, income distribution and ethnicity, which were anticipated to have some impact on the purchase behaviour of local food brands. It has heterogeneity of population from Malay, Chinese, Indians and other races which able to represent part of consumers in Malaysia specifically the northern region (Marubeni Group Magazine, 2006).

### **3.6.2 Data collection procedure**

In collecting the data, a number of procedures need to be fulfilled. Before conducting the actual data collection, preliminary test is performed which is known as the pilot test.

Pilot test is conducted to meet the requirement of content validity evaluation. In the pilot study, 20 respondents are chosen to participate. According to Fink (2003), a sample size of 10 is found as a minimum numbers of participants that enrolling in the pilot test. The pre-test questionnaire consists of four sections whereby the first part is the Celebrity Endorsement (15 items), the second part is Actual Purchase Behaviour (5 items) ,third part is Brand Equity (20 items) and the last part is Demographic Profile (9 items).

In order to check for validity, researcher delves into the understanding of each respondent by letting the respondents to answer and probe questions to know any difficulties encounter during answering the questions. It is important to know whether the respondents understand each of the sentences properly so that new items can be developed or eliminate invalid items. Based on the data, reliability test is conducted to measure the internal consistency. The result shows a good Cronbach's alpha value which is 0.931. According to Gliem and Gliem (2003) when the value of Cronbach's Alpha is above 0.7 the data is considered acceptable. If the data approaching 1 it is deemed as excellent. Since all data from these instruments are reliable, next data analysis can be further analysed. In all conscience, the higher the Cronbach's Alpha value, the higher validity and reliability. Each respondents took 20 minutes to answer the entire questionnaire. Outcomes from the pilot test shown that there is a little confusion with some words in the items and difficult for respondents to understand, therefore some of the words in the items is substituted with simpler words as the targeted respondents in real study will encompass consumers from every area in Penang from rural to urban including all level of age. After justification has been made to the items and variables, the actual data collection is conducted.

The questionnaire is constructed with structured questions. Due to set of questionnaire in English version, respondents are assisted whenever they needed. In this research, quantitative research is conducted which is described as collection of primary data which is processed to be useful for interpretation and analysis using statistical form (Saunders, et al., 2012).

Via this study, questionnaires are distributed to local consumers in Penang by mall intercept which is a method of data collection whereby visitors in the mall is approached and asked to participate in the survey. This data collection method is deployed because there are many readily available persons to sample in the shopping malls in order to determine scientifically the attitudes and opinions of the target population the survey. The respondents also undergo screening process to ensure

validity of responses whereby only local consumers in Penang who aged 15 years and above being selected.

In choosing the locations, a list of top modern retail outlets and hypermarkets available in Penang is randomly selected provided with location that has high number of visitors. These locations are selected due to its location which is strategically in town area with most popular number of visitors compared to other shopping malls. Places that have been selected to conduct the study comprises of different outlets in Penang. The first place is *Giant* Bayan Baru, second place is *Caltex Mini Mart Mayang Permai*, thirdly is *Sunshine* supermarket in Ayer Hitam, the fourth place is *Jusco Aeon* hypermarket *Alma*, the fifth place is Komtar and the last place is *Tesco* Hypermarket Gelugor. In order to select the outlets, time allocated for data collection is considered. Within 7 days of distributing the questionnaires, the data is finally acquired and ready to be analysed.

In distributing the questionnaires, a systematic technique is used whereby sample members from a larger population are chosen based on random starting point and at fixed interval. The systematic sampling technique allows researcher to get the  $n$ th by picking the first individuals at random out of a hat then subsequent participants are selected using a fixed sampling interval. Based on this research, a total of 25,000 populations are estimated for these six locations and 340 set of questionnaires are distributed.

In collecting the data, the respondents are chosen at random starting point for which each 10<sup>th</sup> customer that entered into the shop is selected. The method to get the  $n$ th is by picking the first individuals at random out of a hat then subsequent participants are selected using a fixed sampling interval which means every 10th person entered into the shop will be selected. This is because the number of population is 25,000 therefore based on Krajcie and Morgan table a sample size of 340 would be selected to represent the population. Therefore, to select a representative sample for each shops and malls, the sampling interval is calculated by

dividing 25,000 by 340 to give a sampling fraction of 74. Next, a random number between one and 74 is selected using a random numbers out of a hat for which the numbers obtained is 10. For that, every 10th person that passed by is selected to get a total sample size of 340 as required. However only 300 set of questionnaires are counted as valid and usable in this study. Based on the following table, sampling proportion for each location is presented.

Table 3.2  
*Location of fieldwork*

Location	Number of population (day)	Proportion rate of each population	Number of distributed questionnaire	Number of valid response
Giant Hypermarket	2500	10	34	30
Caltex Mini Mart	1000	4	32	30
Mayang Permai				
Sunshine	4500	18	64	60
Supermarket				
Jusco Aeon	6500	26	67	60
Hypermarket				
Komtar	7000	28	80	60
Tesco Hypermarket	3500	14	63	60
Total	25000	100	340	300

The data collection process was conducted at the same period of time every day at each retail outlet in order to standardise the results and to reduce sampling error. From the table it can be seen that the highest number of population accounted by Komtar for its highest number of visitors followed by Jusco and Sunshine. However the number of sample required are 340, thus researcher doesn't take into account all number of population. According to the table, number of distributed questionnaire can be obtained based on sampling proportion which represents average sample required for each population. After that, data is subjected to statistical analysis.



### 3.6.3 Technique of data analysis

Data is then analysed using SPSS 20 (The Statistical Package for Social Science) where the descriptive analysis was used to produce frequency analysis for respondents' demographic profile. Meanwhile, the researcher used correlational analysis to analyse the relationship between the three main independent variables with dependent variable. In this study, there are also several types of statistical analyses that will be applied, including factor analysis, correlation and multiple regression. The factor analysis will be used to analyse the validity of measurement while correlation will be used to analyse the relationship between independent variables (attractiveness, trustworthiness and experience) as well as the dependent variable (actual purchase behavior). Regression analysis is conducted to test the hypothesis.

Next is analysing the mediating variable and its relationship with independent and dependent variable. In this mediating analysis, procedure by Baron and Kenny (1986) is used in this study.

## CHAPTER 4

### RESULTS AND DISCUSSIONS

#### 4.1 Sampling Characteristics

Sampling statistics of the respondents for the total number of 300 are shown in the table below. The analysis of the respondent's background covered age, gender, race, level of education, monthly income, occupation and respondent's place of living.

Table 4.1 shows sample characteristics. The sample indicates that most of the respondents are in the category of young adults whereby the majority are from the range of age 18-25 years old with (38.7%) and then followed by 26-35 years old with (20.3%). Researcher believed that these two groups of respondents contributed to the findings of this research. Meanwhile the lowest numbers of respondents are those from the age of 55 years old and above which only constitutes (2.3%) from the study.

In terms of gender, the survey demonstrates that female respondents are higher than male respondents with (58.7%) and (41.3%) respectively. This result shows that women contributed higher response in the study of actual purchase behaviour towards local food brands.

Overall, majority of the respondents are Malay with (74.3%) whereas Chinese and Indian respondents shows quite a balance number of response with (14.0%) and (11.7%) respectively. Result also indicates that majority of the respondents are employed (57.7%) compared to unemployed respondents (15.3 %).

From the study, it is found that most of the respondents earn less than RM1000 per month which constitutes (42.0%) of the survey. This is followed by range of income starting from RM1000 to RM3000 with (35.7%). The smallest number of respondents earns monthly income of RM10,000 and above with only (1.7%) followed by range of income RM7001-10,000 per month with only (2.3%) of respondents. This indicates that most of the respondents earn low to moderate level of income and therefore make purchases with slightly considerations on price and their level of income. Besides data also revealed that respondents are not financially strong as most of them are young adults and do not have stable job yet as (15.3%) of the response came from students.

In addition, respondents which own a qualification of SPM and Diploma dominated this survey with 34.3% accounted for both groups. This is followed by respondents with Bachelor Degree educational background with 20.0% and the least number of respondents were from Doctorate level which constitutes only 0.7%. The result shows high literacy level among respondents and they were able to understand the questions properly.

As expected, result indicates that majority of respondents are staying in urban area (49.3%) followed by suburban areas (31.7%) which can be described as a residential district located on the outskirts of a city. Only (19.0 %) of the respondents are staying in rural area in Penang. This is because the survey is conducted in shopping malls whereby this indicates that most of respondents who participated in the survey are staying nearby the studied location. This enhanced the survey as the respondents are exposed to a lot of retail stores and shopping malls and exposed to variety of food brands to choose.

Table 4.1

*Sample Characteristics (n=300)*

Items	Freq.	%
1. Age:		
Below 18	31	10.3
18-25	116	38.7
26-35	61	20.3
36-45	50	16.7
46-55	35	11.7
Above 55	7	2.3
2. Gender		
Male	124	41.3
Female	176	58.7
3. Race		
Malay	223	74.3
Chinese	42	14.0
Indian	35	11.7
4. Level of Education		
SPM	103	34.3
Diploma	103	34.3
Bachelor Degree	60	20.0
Masters Degree	14	4.7
Doctorate	2	0.7
Others	18	6.0
5. Monthly Income		
<1000	126	42.0
1000-3000	107	35.7
3001-5000	40	13.3
5001-7000	15	5.0
7001-10000	7	2.3
>10000	5	1.7
6. Occupation Status		
Employed	173	57.7
Unemployed	46	15.3
Student	81	27.0
7. Place of Living		
Urban	148	49.3
Suburban	95	31.7
Rural	57	19.0

Table 4.2 shows the experience and preference of consumers in purchasing local food brands. This includes their experience in watching advertisement of local brands that get endorsed by celebrities, frequency of buying local food brands and preference towards international brands. From the table, it shows that most of the respondents have experience in watching any advertisement of Malaysian food brands that get endorsed by celebrity (81.7%) while (18.3%) of the respondents have not. This is supported by the evidence by the ability of respondents to recall and provide the celebrity's name as well as the brand name being endorsed. In the table, result shows that 55 respondents never have experience in watching advertisement of local food brands featured by celebrity meanwhile another majority of 245 of the respondents claimed that they have the experience. The table only revealed the results from the most frequent names being recalled while the rest can be referred in the appendices section. Most of respondents stated that the celebrity that is seen featured in the advertisement is Jalaludin Hassan with (10.3%) then it is followed by Chef Wan (9.7%), Lisa Surihani (8.7%) and Chef Ismail with (7.3%). From this, it indicates that celebrity chefs are more popular in becoming endorser of local food brands due to their well-known expertise in terms of food. In fact, Jerzyk and Wyczynski (2015) through their research on the effect of celebrity endorsement on purchase of local food products also stated that the most effective endorsement of a food brand is from a culinary expert.

Result shows that 55 of the respondents did not aware about the advertisement of local food brands featured by celebrity and thus did not know the brand name as well. Meanwhile most of respondents that claimed that they have the experience of seeing advertisement of local food brand endorsed by celebrity choose brand name of Mamee with the (17.3%). It is then followed by Beras Jasmine (10.3%) and Ayamas (7.7%). The product from Mamee that the respondents most aware of is its newest product of instant noodle so called as "Mamee Chef (Mee Tarik)".

In the table, it is shown that most of the respondents frequently buy Malaysian food brands with a majority of 93.7% while the rest of 6.3% rarely buy Malaysian food brands. As stated in the table, it can be seen that frequently bought

Malaysian food brands is Gardenia (10.0%) then followed by Mamee (5.7%) and Adabi (5.3%). This indicates that Mamee got both high level of awareness and actual purchase from the respondents. However, it can also be seen that some of the respondents are unaware of the Malaysian food brands by stating the international origin brand as their frequently bought item. As evidence, majority of 6.7% of the respondents are stating that their frequently bought item is from the brand name Maggie. This shows that Malaysians still cannot differentiate the food products between local brands and international brand. It is followed by brand name Nestle with 2.7%. Due to massive advertisement of Maggie products which get endorsed by local celebrity it has seep into and planted in the mind of consumers that this brand is a national brand.

In the meantime, respondents were asked about their preference towards international brands. Eventhough most of respondents claimed that they like to buy local food brands, majority of the respondents also claimed that they like to buy international brand with (65.3%) agree while (34.7%) do not agree. When being asked the reasons, majority of the respondents claimed that international brand is preferable compared to local brand because of its quality (25.7%) and good taste (12.7%). Respondents claimed that the quality is consistent through times and the products have undergone stricter quality control enforcement and progressive research and development activity (R&D). The taste is also better in terms of its high quality and unique ingredients for which local brands cannot compete with. In the meantime, due to brand names that are well established and packaging that is attractive, respondents show preference towards international brand whereby both factors shared the same percentage (5.7%). Lastly respondents preferred international brand due to its reasonable and affordable price (4.0%) for which the brand is deemed as having good quality that appropriate and compatible with its price.

Table 4.2:  
*Experience and Preference towards Local Food Brands*

Items	Freq.	%
1. Experience in watching advertisement of local food brands endorsed by celebrity:		

Yes	245	81.7
No	55	18.3
2.Celebrity name:		
Jalaludin Hassan	31	10.3
Chef Wan	29	9.7
Lisa Surihani	26	8.7
Chef Ismail	23	7.3
3.Brand Name:		
Mamee	52	17.3
Beras Jasmine	31	10.3
Ayamas	23	7.7
4. Frequency of buying		
Malaysian food brands:		
Yes	281	93.7
No	19	6.3
5. Brand names of frequently		
bought item:		
Gardenia	30	10.0
Mamee	17	5.7
Adabi	16	5.3
Maggie	20	6.7
Nestle	8	2.7
6. Preference towards		
international brands:		
Yes	196	65.3
No	104	34.7
7. Reason for preference		
towards international brands:		
Quality	77	25.7
Taste	38	12.7
Well-established name	17	5.7
Attractive packaging	17	5.7
Reasonable price	12	4.0

## 4.2 Exploratory Factor Analysis

Factor analysis is used to analyse the three variables constructed in the studies to enhance the validity of measurements and empirical evaluation of construct validity. For a study that has a sample more than 300, the minimum acceptable factor loading is 0.3 ( $S > 300, FL > 0.45$ ). Factor loading represents the correlation between an original variable and its factor. As the sample of the study is more than 300 therefore the factor loading must be more than 0.3 (Hair et al., 2010).

Hence, exploratory factor analysis was conducted on all items measuring the construct of actual purchase behaviour which represents the dependent variable, the celebrity endorsement which represents the independent variable and brand equity which represents the mediating variable. The results of exploratory factor analysis is explained in the following section.

The exploratory factor analysis was conducted separately on each of the following variables: celebrity endorsement ( independent variable), brand equity (mediating variable) and actual purchase behaviour (dependent variable). The items for each variable were group separately and for each group, principal component factor analysis with varimax rotation was conducted.

To justify the presence of correlations among variables, the correlation matrix has to show at least some correlations ( $r=0.3$ ) or greater. Bartlett's test of sphericity must be statistically significant at  $p<0.05$  and the value of Kaiser-Mayer-Olkin (KMO) which reflects the measure of sampling adequacy should be at least 0.60 and above. Any items with value 0.35 and above is deleted which consistent with work of past researchers (Pallant, 2005).



- **Celebrity Endorsement**

The factor analysis conducted on celebrity endorsement is based on 15 items with the extract factor number 3 whereby it is applied based on literature review. The 15 constructs were tested by principal components analysis, using varimax rotation. According to the three dimensions proposed by Ohanian (1990) in celebrity endorsement, three factor solution is chosen that reduced the 15 constructs to three factors with eigenvalues greater than 1.0. As the factor loadings should be at least 0.3 but for a variable to unambiguously represent a factor, the loading should be 0.6 and above. In this study, the celebrity endorsement constructs with a loading below 0.3 were excluded from further analysis. From the output, the KMO measure of sampling shows a value of 0.910 which is enhanced by Bartlett's test of sphericity which is highly significant ( $p=0.000$ ) supporting the appropriateness of factor analysis.

- **Brand Equity**



The factor analysis conducted on brand equity is based on 20 items with the extract factor number 4 whereby it is applied based on literature review. The 20 constructs were tested by principal components analysis, using varimax rotation. According to the four dimensions proposed by Nasreen et al (2015), in brand equity, four factor solution is chosen that reduced the 20 constructs to four factors with eigenvalues greater than 1.0. As the factor loadings should be at least 0.3 but for a variable to unambiguously represent a factor, the loading should be 0.6 and above. In this study, the brand equity constructs with a loading below 0.3 were excluded from further analysis. From the output, the KMO measure of sampling shows a value of 0.950 which is enhanced by Bartlett's test of sphericity which is highly significant ( $p=0.000$ ) supporting the appropriateness of factor analysis.

- **Actual Purchase Behaviour**

The factor analysis conducted on actual purchase behaviour is based on 5 items with 1 extract factor number 4 whereby it is applied based on literature review. The 5 constructs were tested by principal components analysis, using varimax rotation. According to theory proposed by Jamal (2013) one factor solution is chosen that reduced the 5 constructs to 1 factor with eigenvalues greater than 1.0. As the factor loadings should be at least 0.3 but for a variable to unambiguously represent a factor, the loading should be 0.6 and above. In this study, the actual purchase behaviour constructs with a loading below 0.3 were excluded from further analysis. From the output, the KMO measure of sampling shows a value of 0.831 which is enhanced by Bartlett's test of sphericity which is highly significant ( $p=0.000$ ) supporting the appropriateness of factor analysis.

From the factor analysis, the results are presented in table below.

Table 4.3  
*Constructs of the Study and their Factor Loading*

Item No		Factor Loading
<b>Celebrity endorsement</b>		
Attractiveness		
Attractive		0.543
Elegant		0.544
Classy		0.448
Beautiful		0.841
Sexy		0.796
Trustworthiness		
Dependable		0.690
Honest		0.730
Reliable		0.757
Sincere		0.719
Trustworthy		0.630
Expertise		
Knowledgeable		0.806
Expert		0.776
Experience		0.853
Qualified		0.745
Skilled		0.779

<b>Brand Equity</b>	
<b>Brand Awareness</b>	
Some characteristics of local food brands come to my mind quickly.	0.732
I can recognize local food brands quickly compared to other international brands	0.665
I am aware about different advertisements for local food brands in TV, Magazine, Newspaper, Internet and etc	0.746
I am familiar with local food brands	0.784
I can quickly recall the symbol or logo of the local food brands	0.767
<b>Perceived Quality</b>	
Local food brands offer excellent taste	0.651
Local food brands have appealing packaging	0.672
I think local food brands seem to be good in quality	0.687
I think local food brands are highly nutritious	0.679
I think the local food brands are of very consistent quality	0.729
<b>Brand Image</b>	
Local food brands perform as I expected	0.716
Brand name and image of local food brands attract me to purchase	0.627
Local food brands express my personality	0.752
Local food brand makes me feel good	0.784
Purchasing local food brands increase my social status	0.754
<b>Brand Loyalty</b>	
I usually use local food brand as my first choice compared to other international brands	0.663
Increase of price will not hinder me to purchase	0.747
I would recommend local food brands to others	0.590
I am satisfied with local food brands	0.615
I can always trust local food brands	0.518
<b>Actual Purchase Behaviour</b>	
Most of the time, I purchase Malaysian made brands	0.795
I still choose Malaysian made brand although a similar foreign item was available	0.829
I take time to look at labels in order to knowingly purchase more brands of Malaysian made brands	0.770
I purchased a Malaysian made brand when a better quality foreign item was available	0.800
I purchase Malaysian made brand when a cheaper foreign item was available	0.770

### 4.3. Reliability test

To determine the reliability of measurements, Cronbach's Alpha is used. This analysis is important to test the reliability of all instruments from independent, mediating and dependent variables. The closer Cronbach's alpha coefficient to 1.0, it shows the better internal consistency of the items in the scale. Gliem & Gliem (2003) provided the following rules of thumb:

- ❖ Cronbach's alpha > 0.9 – Excellent
- ❖ Cronbach's alpha > 0.8 – Good
- ❖ Cronbach's alpha > 0.7 – Acceptable
- ❖ Cronbach's alpha > 0.6 – Questionable
- ❖ Cronbach's alpha > 0.5 – Poor
- ❖ Cronbach's alpha < 0.5 – Unacceptable

For this research reliability test had been deployed to evaluate the reliability of the three dimensions in celebrity endorsement and its effect towards actual purchase behavior with mediating effect of brand equity that consists of four dimensions.

Table 4.4  
*Reliability Test for each variables*

Instruments	Cronbach's Alpha	Number of Items	Condition
Celebrity Endorsement:	0.900	15	Excellent
Attractiveness	0.815	5	Good
Trustworthiness	0.757	5	Acceptable
Expertise/Experience	0.897	5	Good
Actual Purchase Behavior:	0.852	5	Good
Brand Equity:	0.955	20	Excellent
Brand Awareness	0.873	5	Good
Perceived Quality	0.912	5	Excellent
Brand Loyalty	0.877	5	Good
Brand Image	0.913	5	Excellent
Reliability of all items	0.960	40	Excellent

#### 4.4 Normality test and Collinearity Effect

Nornadiah (2009) described that the assumption of normality is the basic and most important element in carrying out statistical analysis. Statistician always confront with issues whether the data is normal or abnormal. Researches without strong basic of statistic might feel confused about this condition. Generally, normal data is the one with normal distribution which produced bell-shaped distribution or specifically known as Gaussian. However, it is impossible for the data to be absolutely normal and get perfect bell-shaped of distribution. Since, normality test is important before proceed to any statistical test, researchers should firstly check the normality status. It can be done through graphical method and numerical method. The common graphical method is by using quantile-quantile (Q-Q) plot, box plot as well as stem-and-leaf-plot. However, graphical method is not enough to prove the assumption, thus combine with numerical test which includes skewness and kurtosis coefficients. The common numerical tests can be performed are Shapiro-Wilk and Kolmogorov-Smirnov test. Aishah et al (2011) stated that sample size will determine the type of normality test to be used. Shapiro-Wilk test is suitable for sample size in a range from 3 to 50 while Kolmogorov-Smirnov is suitable for a larger sample size. To check the normality test, it is important to ensure that p-value is greater than 0.05. Null hypothesis stated that data is in normal distribution when p-value is greater than 0.05. Hence it is concluded that researchers fail to reject null hypothesis and making the data normally distributed and able to proceed with statistical test.

Table 4.5  
*Normality Test*

	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Actual purchase behaviour	.109	300	.115	.972	300	.000
Brand awareness	.096	300	.078	.972	300	.000
Perceived quality	.086	300	.060	.970	300	.000
Brand loyalty	.077	300	.112	.974	300	.000
Brand image	.090	300	.103	.971	300	.000

Attractiveness	.095	300	.109	.976	300	.000
Trustworthiness	.104	300	.117	.920	300	.000
Expertise	.098	300	.011	.959	300	.000

---

Based on the table above, Kolmogorov-Smirnov numerical test of normality is used. It indicates that all are the normal distribution set of data as the p-value is greater than 0.05. Therefore the data failed to reject null hypothesis for actual purchase behaviour, brand awareness, brand image, brand loyalty, perceived quality, attractiveness, trustworthiness and expertise.

In terms of the collinearity effect, although this study only involves one independent variable, celebrity endorsement, this independent variable is a combination of three independent variables or subscales, where the collinearity effect still needs to be examined. The examination is carried out between the independent variables and the dependent variable. By following the rule recommended by Pallant (2005), the cut-off point for tolerance values which is less than 0.10, or a VIF value above 10 determines the presence of the collinearity effect. From the findings it can be seen that there is no collinearity effect for any of the relationships between the independent variables (referring to the three subscales of celebrity endorsement and the mediator variables as well) and the actual purchase dimensions (as the dependent variable). This is because the value of tolerance is more than 0.10 and the VIF value is below 10. Therefore, no violation of assumption is involved..

#### **4.5 Correlation Analysis**

Pearson correlation in SPSS 20.0 is used to test the hypothesis. According to Pallant (2007), Pearson correlation is used when we want to explore the strength of the relationship between two variables. It can give an indication of both the direction (positive or negative) and the strength of the relationship. The +1 sign indicates a perfect positive relationship and the -1 sign indicates a perfect negative relationship,

0 indicates no relationship. A positive correlation indicates that as one variable increase, so that the other. A negative correlation indicates that as one variable increases, the other decreases. The higher the correlation of coefficient value, the stronger the linkage or level of association between two metric variables (Choy et al. , 2010). According to Hair et al. (2009) wherever significance level is less than 0.05, null hypothesis is rejected at confidence level 0.95. If there are not sufficient evidences to reject null hypothesis, it means there is no significant relationship. According to Pallant (2005), r value between 0.5 and 1.0 shows strong relationship, values between 0.30 and 0.49 indicate moderate relationship while values between 0.10 and 0.29 shows weak relationship.

Table 4.6  
*Correlations Analysis for Celebrity Endorsement, Brand Equity and Actual Purchase Behaviour*

Dimensions	ATT	TR	EX	OCE	APB	BAW	PQ	BL	BI	OBE
Attractiveness (ATT)	1									
Trustworthiness (TR)	.583**	1								
Expertise(EX)	.575**	.561**	1							
Overall Celebrity Endorsement (OCE)	.843**	.852**	.841**	1						
Actual purchase behaviour(APB)	.460**	.404**	.416**	.503**	1					
Brand awareness(BAW)	.434**	.467**	.457**	.536**	.717**	1				
Perceived quality(PQ)	.486**	.500**	.529**	.597**	.647**	.654**	1			
Brand loyalty(BL)	.455**	.383**	.485**	.520**	.677**	.650**	.754**	1		
Brand image(BI)	.424**	.408**	.458**	.508**	.600**	.576**	.769**	.744**	1	
Overall Brand Equity (OBE)	.513**	.501**	.550**	.616**	.751**	.817**	.907**	.897**	.885**	1

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

- Correlations Analysis between Celebrity Endorsement and Actual Purchase Behaviour**

The correlations between celebrity endorsement (independent variable) and actual purchase behaviour (dependent variable) are examined through each of the dimensions of celebrity endorsement including attractiveness, trustworthiness, and

expertise. As further analysed, there is moderate positive relationship existed between actual purchase behaviour and the dimensions of attractiveness ( $r = 0.460$ ), trustworthiness ( $r = 0.404$ ), and expertise ( $r = 0.416$ ). All of the relationships are significant at  $p=0.01$  level. The result also shown that the dimension of attractiveness gain the highest influence towards actual purchase behaviour for the strength of the relationship possessed the highest value.

- **Correlations Analysis between Celebrity Endorsement and Brand Equity**

Next, the correlations between celebrity endorsement (independent variables) and brand equity (mediating variables) are examined. The celebrity endorsement variables in this study refers to attractiveness, trustworthiness and expertise whereby the brand equity variables represents by perceived quality, brand loyalty, brand awareness and brand image.

As shown in the table 4.8, there is moderate and positive relationship found between attractiveness and perceived quality ( $r=0.486$ ,  $p=0.01$ ), attractiveness and brand loyalty ( $r=0.455$ ,  $p=0.01$ ), attractiveness and brand awareness ( $r=0.434$ ,  $p=0.01$ ) and attractiveness and brand image ( $r=0.424$ ,  $p=0.01$ ). However, strong and positive relationship is found between attractiveness and overall brand equity ( $r=0.513$ ,  $p=0.01$ ).

In terms of the relationship between trustworthiness and brand equity dimensions, findings show mixed correlation results. A strong and positive relationship is found between trustworthiness and perceived quality ( $r=0.500$ ,  $p=0.01$ ) while weak yet positive relationship is found between trustworthiness and brand loyalty ( $r=0.383$ ,  $p=0.01$ ). On the other hand, a moderate and positive relationship is found between trustworthiness and brand awareness ( $r=0.467$ ,  $p=0.01$ ) as well as trustworthiness and brand image ( $r=0.408$ ,  $p=0.01$ ). When compared the



trustworthiness with overall brand equity, a strong and positive relationship is found with ( $r=0.501, p=0.01$ ).

On the other hand, the relationship between expertise and brand equity dimensions show moderate and positive relationship whereby the relationship between expertise and brand awareness ( $r=0.457, p=0.01$ ), relationship between expertise and perceived quality ( $r=0.529, p=0.01$ ), relationship between expertise and brand loyalty ( $r=0.485, p=0.01$ ) as well as relationship between expertise and brand image ( $r=0.458, p=0.01$ ). When compared the expertise with overall brand equity, a strong and positive relationship is found with ( $r=0.550, p=0.01$ ). This indicates that each dimension of celebrity endorsement possess a strong relationship with overall brand equity.



#### • **Correlations Analysis between Brand Equity and Actual Purchase Behaviour**

The correlations between brand equity and actual purchase behaviour are examined through each of the dimensions of brand equity including perceived quality, brand loyalty, brand awareness and brand image.

As further analysed, there is strong positive relationship existed between actual purchase behaviour and the dimensions of perceived quality ( $r= 0.647$ ), brand loyalty  $r = 0.677$ ), brand awareness ( $r = 0.717$ ) and brand image ( $r= 0.600$ ). All of the relationships are significant at  $p=0.01$  level. The result also shown that the dimension of brand awareness gain the highest influence towards actual purchase behaviour for the strength of the relationship possessed the highest value.

#### 4.6 Hypothesis Testing

As discussed earlier, this study is concerned with the conceptual model that combines brand equity, celebrity endorsement and actual purchase behaviour in the context of local food brands. This framework explains the vital role of brand equity in mediating the relationship between celebrity endorsement and actual purchase behaviour. In this integrated framework, brand equity is proposed as a mediator in the relationship between celebrity endorsement and actual purchase behaviour. This reflects the four main research areas that constitute the investigation of (1) celebrity endorsement and its influence on actual purchase behaviour, (2) celebrity endorsement and its influence on brand equity, (3) brand equity and its influence on actual purchase behaviour and (4) brand equity as mediator in relationship between celebrity endorsement and actual purchase behaviour.

Based on this, several hypotheses are developed in order to answer all the research questions which reflect the research objectives to be achieved in this study. These includes : (1) To examine the relationship between celebrity endorsement and actual purchase behaviour, (2) to examine the relationship between celebrity endorsement and brand equity, (3) to examine the relationship between brand equity and actual purchase behaviour and (4) to investigate whether brand equity has mediating effect between celebrity endorsement and actual purchase behaviour.

In assessing mediating effect, there are four 4 steps need to be performed during regression analysis and the significance of the coefficients must be examined at each step (Baron & Kenny, 1986) The four 4 steps are (1) regressing independent variable(s) and dependent variable, (2) regressing independent variable(s) and mediator, (3) regressing mediator and dependent variable and (4) regressing dependent variable on both independent variable(s) and mediator variable.

This hypothesis testing will be conducted using regression analysis. The result of the testing of each hypothesis is explained in the following section.

#### 4.6.1 The Influence of Celebrity Endorsement on Actual Purchase Behaviour

In order to achieve the first objective, dependent variable is regressed on independent variables. The independent variable in this study is represented by celebrity endorsement which consists of three dimensions; attractiveness, trustworthiness and expertise while dependent variable is represented by actual purchase behaviour.

Table 4.7  
*The Relationship of Celebrity Endorsement and Actual Purchase Behaviour*

Dependent Variable	Standardized Coefficients (β)	t	Sig (p-value)	R <sup>2</sup>	Sig. F
Attractiveness	0.274	4.127	0.000	0.258	0.000
Trustworthiness	0.146	2.226	0.027	0.258	0.000
Expertise	0.176	2.712	0.007	0.258	0.000

Table 4.7 indicates that there are significant relationships at  $p < 0.05$  between all three dimensions of celebrity endorsement and actual purchase behaviour. As depicted in coefficients table above, attractiveness brings the largest beta coefficient which is  $\beta = 0.274$  at  $R^2 = 0.258$ . This means that this variable makes the strongest unique contribution to explaining the dependent variable (Actual Purchase Behaviour), when the variance explained by all other predictor variables in the model is controlled for. This is followed by expertise with  $\beta = 0.176$  regression coefficient value at  $R^2 = 0.258$ . Meanwhile, the coefficient beta value for trustworthiness is the smallest  $\beta = 0.146$  at  $R^2 = 0.258$  and indicating that it made the least contribution to explaining the dependent variable (Actual Purchase Behaviour), when the variance explained by all other predictor variables in the model is controlled for. All of the regression models for each of the relationships are significant at  $p < 0.05$  indicating 95% confidence in explaining the dependent variable. These findings support the hypothesis H1a, H1b and H1c.

#### 4.6.2 The Influence of Celebrity Endorsement on Brand Equity

In order to achieve the second objective, mediating variable is regressed on independent variables. The independent variable in this study is represented by celebrity endorsement which consists of attractiveness, trustworthiness and expertise while mediating variable is represented by brand equity. Based on the conceptual model, celebrity endorsement is posited to influence the brand equity but in this research brand equity effect is seen as an overall brand equity effect not as the dimensions individually. This is supported by Yoo and Donthu (2001) who developed an individual level measure of consumer based brand equity that is argued reliable, valid and draws on the theoretical dimensions. Yoo and Donthu (2001) developed a unidimensional measure of brand equity, which labeled as “overall brand equity”. Hence in this study, brand equity is measured as the overall brand equity compared to individually measure.

Table 4.8  
*The Relationship of Celebrity Endorsement and Brand Equity*

Dependent Variable	Standardized Coefficients ( $\beta$ )	t	Sig (p-value)	R <sup>2</sup>	Sig. F
Attractiveness	0.216	3.568	0.000	0.383	0.000
Trustworthiness	0.200	3.342	0.001	0.383	0.000
Expertise	0.314	5.287	0.000	0.383	0.000

Table 4.8 indicates that there are significant relationships at  $p < 0.05$  between all three dimensions of celebrity endorsement and brand equity. As depicted in coefficients table above, the largest beta coefficient is  $\beta = 0.314$  at  $R^2 = 0.383$  which is for expertise. This means that this variable makes the strongest unique contribution to explaining the dependent variable (Brand Equity), when the variance explained by all other predictor variables in the model is controlled for. This is followed by attractiveness with  $\beta = 0.216$  regression coefficient value at  $R^2 = 0.383$ . Meanwhile, the coefficient beta value for trustworthiness is the smallest, which is  $\beta = 0.200$  at  $R^2 = 0.383$  and indicating that it made the least contribution to explaining the

dependent variable (Brand Equity), when the variance explained by all other predictor variables in the model is controlled for. All of the regression models for each of the relationships are significant at  $p < 0.05$  indicating 95% confidence in explaining the dependent variable. These findings support the hypothesis H2a, H2b and H2c.

#### 4.6.3 The Influence of Brand Equity on Actual Purchase Behaviour

In order to achieve the third objective, mediating variable is regressed on independent variables. The independent variable in this study is represented by celebrity endorsement while mediating variable is represented by brand equity. Based on the conceptual model, celebrity endorsement is posited to influence the brand equity but in this research brand equity effect is seen as an overall brand equity effect not as the dimensions individually.

Table 4.9  
*The Relationship of Brand Equity and Actual Purchase Behaviour*

Dependent Variable	Standardized Coefficients ( $\beta$ )	t	Sig (p-value)	R <sup>2</sup>	Sig. F
Brand Equity	0.751	19.656	0.000	0.565	0.000

Table 4.9 indicates that there is significant relationship at  $p < 0.05$  between overall brand equity and actual purchase behaviour. The regression for the relationship is significant at  $p < 0.05$  indicating 95% confidence in explaining the dependent variable. Brand equity is found to have significant relationship with actual purchase behavior at ( $R^2 = 0.565$  and  $\beta = 0.751$ ). These findings support the hypothesis H3.

#### 4.6.4 Brand Equity as the Mediator

In order to achieve the fourth objective, the steps to conduct mediator analysis are based on Baron and Kenny (1986). As mentioned previously, three steps of regression analysis are performed whereby each step needs to achieve a significant result. To demonstrate the mediating effect, if the influence of independent variable on dependent variable with inclusion of mediating variable is reduced and shows an insignificant result, this indicates that there is a full mediation. On the other hand, if the influence of independent variable on dependent variable is reduced but significant, this shows there is partial mediation.

Based on the conceptual model in this study, the mediator effect of brand equity is posited to influence the relationship between celebrity endorsement and actual purchase behaviour. However, in order for the mediator to be tested, the first three conditions need to be fulfilled which means all the relationships should be significant. In previous steps of regression analysis, all three conditions are fulfilled whereby the first three steps of regression analysis show significant relationships. In fulfilling the fourth condition of mediator analysis, actual purchase behaviour is simultaneously regressed on the independent variable which is celebrity endorsement and brand equity. As mentioned earlier, in demonstrating the mediating effect, when including mediator in the regression analysis, the influence of independent variable on dependent variable has to be reduced and insignificant as in the case of full mediation whereas in the case of partial mediation, the influence of independent variable on dependent variable is reduced but shows a significant result.

Table 4.10

*Mediating Effect of Brand Equity Variables on the Relationship between Celebrity Endorsement and Actual Purchase Behaviour*

Independent Variable (IV)	Mediating Variable (MV)	Model 1 (IV and DV without MV) Std Beta	Model 2 (IV and DV with MV) Std Beta	Result
Attractiveness	Brand equity	0.274	0.119	Partial
Trustworthiness	Brand equity	0.146	0.003	Full
Expertise	Brand equity	0.176	0.048	Full

From the findings, it appears that some of the relationships demonstrate stronger mediation influences such as brand equity on the relationship between trustworthiness and actual purchase behaviour as well as brand equity on the relationship between expertise and actual purchase behaviour. It can be seen that the influence of trustworthiness on actual purchase behaviour without the inclusion of brand equity is significant at ( $R^2=0.258$ ,  $\beta=0.146$ ), however with the inclusion of brand equity, the influence of trustworthiness on actual purchase behaviour is insignificant and reduced at ( $R^2=0.573$ ,  $\beta=0.003$ ). Similarly without the inclusion of brand equity, the influence of expertise on actual purchase behaviour is found to be significant at ( $R^2=0.258$ ,  $\beta=0.176$ ), however, with the inclusion of brand equity, the influence of expertise on actual purchase behaviour is insignificant and reduced at ( $R^2=0.573$ ,  $\beta=0.048$ ). This shows that the brand equity fully mediate the relationship between trustworthiness and actual purchase behaviour as well as the relationship between expertise and actual purchase behaviour. This is because the inclusion of brand equity on these relationships shows insignificant and reduced result.

However, without the inclusion of brand equity at ( $R^2=0.258$ ,  $\beta=0.274$ ), the influence of attractiveness on actual purchase behaviour is reduced and significant. On the other hand, with the inclusion of brand equity the influence of attractiveness on actual purchase behaviour is still significant and reduced at ( $R^2=0.573$ ,  $\beta=0.119$ ). This shows that brand equity partially mediate the relationship between attractiveness and actual purchase behaviour. All of the regression models for each of the relationships are significant at  $p<0.05$  indicating 95% confidence in explaining the dependent variable. Therefore, all of these findings support the hypothesis H4.

## CHAPTER 5

### CONCLUSION & RECOMMENDATION

#### 5.1 Conclusion

The first research objective which is to examine the influence of celebrity endorsement on actual purchase behaviour is achieved through the linear regression test. Results revealed that there is significant relationship between celebrity endorsement and actual purchase behaviour among consumers.

The second objective which is to investigate the influence of celebrity endorsement and the brand equity is achieved through the linear regression test. Result also shows that there is a significant relationship between celebrity endorsement and brand equity.

Next objective which is to investigate the influence of brand equity on actual purchase behaviour, regression test is conducted to achieve the result. Result revealed that there is a relationship between brand equity and actual purchase behaviour.

Lastly in the fourth objective which is to examine whether brand equity has mediating effect between celebrity endorsement and actual purchase behaviour, regression test is conducted which fulfilled four conditions. In final step of analysis, if the effect of the independent variable on the dependent variable becomes non-significant, full mediation is likely to occur. It indicates that all the effects are mediated by the mediating variable. If the regression coefficient is reduced at the



final step, but remains significant, partial mediation is likely to occur. It means some parts of the effect of the independent variables are mediated by the mediating variable while other parts are either directed or mediated by other variables unfamiliar to the proposed model.

Results shown that full mediation is occurred for the inclusion of brand equity on the relationship between trustworthiness and actual purchase behaviour as well as relationship between expertise and actual purchase behaviour. This is evidence by the reduced yet insignificant relationship encountered during the test. On the other hand, the inclusion of brand equity to test for the relationship between attractiveness and actual purchase behaviour shows a partial mediation whereby the result shows a reduced and significant value.

The findings reveal that all three dimensions of celebrity endorsement have significant relationship with actual purchase behaviour. Results also revealed that when examining the influence of celebrity endorsement on actual purchase behaviour, attractiveness of celebrity brings strongest influence. On the other hand, when examining the influence of celebrity endorsement on brand equity, expertise of celebrity brings the greatest influence as a result of the skill, expertise and knowledge of the endorsers towards local food brand being trusted by consumers. This is supported by the sampling characteristic result that shown that in purchasing local food brands, consumers are more attracted to endorser who have skill in that area which is a chef celebrities itself. This is evidence by higher recall rate for the local food brands that get endorsed by chef celebrities. The skills and expertise that they have in endorsing the local food brands have shown the effectiveness of advertising which lead to a higher level of brand equity and actual purchase behaviour.

Besides, it is proven that brand equity has mediating effect between celebrity endorsement and actual purchase behaviour. Results also revealed that with inclusion of brand equity, attractiveness of celebrity plays a major role to influence actual

purchase behaviour of consumers. This is supported by Xin (2014) in its study in sports industry, who claimed that celebrity's attractiveness in terms of similarity and likability will affect the consumer's attitude towards advertisement. It also implies that, the more attractive, the more likable and the more similar the celebrities with consumers, the more positive influence it will bring towards purchasing behaviour of consumers. In terms of brand equity, the strongest influence towards the actual purchase behaviour is brand awareness based from the result from correlation test which shown that this dimension of brand equity exhibit the highest influence on its relationship with celebrity endorsement as well as actual purchase behaviour. Hence, most of the respondents believed that in order to make a purchase it is important for a brand to get endorsed by attractive celebrity along with marketing strategies that create strong brand awareness.

In addition, results revealed that respondents may have lack of knowledge and exposure towards local food brands and it is hard for them to differentiate between local products and international products. This is as evidence from the open ended questions that delve into their memory and awareness towards naming a local food brands that they usually encounter in advertisement and frequently buy. Most of local consumers claimed that they frequently buy local brand but when it comes to name the brand they tend to remember the international brand more than the local one. This is due to the image of international brand which is well known by consumers and have stronger brand equity. Besides, it has consistent quality and excellent taste.

Due to the Malaysian product markets that continue to change rapidly, companies need to distinguish their brand from the competitors especially the well-established international brands. Celebrity endorsement is considered as the important element that can help to improve the brand name and drive the consumers to make a purchase because the characteristics owned by the celebrities themselves will attract consumers to buy especially the brands that consumers never tried before. The consumers who adore the celebrities will feel attracted to buy due to their trust

towards the celebrities, who also used the products based on their own experience. Focus on the creation of brand equity will also leverage the standard of the brand and increase the number of actual purchase among consumers that may previously have doubt with the brand. Effective management of brand equity in competitive market environment is however essential to maintain its position and strengthening key strategic brands in international markets. Marketing managers should concentrate their efforts primarily on brand equity components which, if increased, will contribute positively to their firm's brand equity and as a result increased the actual purchase from consumers.

## **5.2 Contribution of Study**

This study is beneficial for marketers, local food industries, business owners and government to take effective measures in order to bring national brand name at par with the other international brands. By knowing the influence of celebrity endorsement in facilitating the marketers to promote the products and the dimension of brand equity that will influence consumer's purchase behaviour, proactive action should be concern on that area. Consumer purchase behaviour is not only important for marketers or companies, but also for government to increase the gross domestic production and increase domestic demand, which benefits from an understanding of local consumer purchase behaviour towards local brand. It can help the government in planning strategies to support and co-operate with public and private sectors, and the government can motivate consumers to purchase local brands in order to improve the national economy. On the other hand, marketers may know the implication of using celebrity endorsement as marketing strategies especially in gaining brand awareness and increase the sales of products. Marketers are also able to know the right criteria in seeking the endorsers for their brand by conducting a thorough selection process that fulfil the requirement for the communication of brand.

### 5.3 Recommendations

The manufacturers need to take proactive actions to ensure their brand names stick to consumers' mind and become number one favourite in any stores. One of immediate action should be taken by Ministry of Agriculture and Agro-based Industry to create quality brands that mark the brand as "Malaysia Best" and promote other brands under certain commodities. This initiative is intended to establish the brand names locally and globally, increase domestic and international demands for local products as well as drive consumers' confidence in the quality and safety of local products. Local food companies needs to give greater emphasize on marketing strategy especially from SME products that needs to compete with giant companies popularly known via its advertising strategy (Zulkifli & Anas, 2014). Advertising strategy should use celebrity as brand endorser in order to attract more consumers in purchasing our local food brand. This is because the celebrity has all features that able to persuade consumers to buy due to their position as public figure and attractiveness in the eye of consumers. In attempt to promote local packaged food products, attracting consumers via celebrity endorsement advertising strategy is one of the savvy ideas. As the attractiveness of the celebrity is the main criteria that consumers look for, therefore the use of attractive celebrity in terms of its physical appearance and inner beauty are able to help promoting the brand through increase of awareness as one of the brand equity attributes.

Based from this study, future research should cover wider area of respondents to get the most accurate perception about local brands among consumers in Malaysia. Sample size should be increased and tested to other industries and other countries either developed or less developed countries. The findings enable the potential studies for other context such as to other countries, industries or business environment. Furthermore, other factors may also influence actual purchase behaviour of consumers and not restricted to celebrity endorsement and brand equity only. Other theories can be implemented which is suitable to the study. Lastly, researcher only used one instrument which is conducting survey through set of

questionnaires. Researcher suggests that qualitative method of in-depth interview can be the most appropriate means to obtain real factor that influences actual purchasing behaviour of local food brands because it is based on real experience of customers. This can be better achieved when researcher build trust with respondents thus enable to gain real insight through their language and body gestures. Research should cover the perception from the perspective of management and the firm itself for a more detail understanding on brand and purchase behaviour of consumers. Future research is also recommended to cover wider scope of food and beverages products from various categories.



## REFERENCES

- Aaker, D. (1991), *Managing Brand Equity: Capitalizing on the Value of a Brand Name*, Free Press, New York, NY.
- Aaker, D. A. & McLoughlin, D. (2010), *Strategic Market Management: Global Perspectives*, John Wiley and Sons, Barcelona, Spain.
- Abdul Razak Baginda (2009) *Malaysia at 50 & Beyond*, Malaysian Strategic Research Centre.
- Agrawal, J. & Kamakura, W.A. (1995). The Economic Worth of Celebrity Endorsers :An Event Study Analysis. *Journal of Marketing*, 59, pp. 56-62.
- Ahmed, N., Farooq, O. & Iqbal, J. (2014). Credibility of Celebrity Endorsement and Buying Intentions an Evidence from Students of Islamabad Pakistan. *International Letters of Social and Humanistic Sciences*, SciPress Ltd., Switzerland, 20, pp. 1-13.
- Aishah, N.A., Teh, S.Y., Rahman, A.O., & Rohani, C.Y. (2011). Sensitivity of Normality Tests to Non-normal Data. *Sains Malaysiana*, 40(6), pp. 637-641.
- Amadi, C. W. (2005). Advertising Expenditure and Firm Profitability: An Investigation. *Academy of Marketing Studies Journal*, 9, pp.3-19.
- Amran, H., Abdul, W.M.K., Aisat, O.I., Mohamad, G.H., & Abdullah, S. (2010). Managing Local Brands in Facing Challenges of Globalization: Be A Local or Global Leader?
- Anholt, S. (2003). *Brand New Justice: How Branding Places and Products Can Help the Developing World*, ELSEVIER: Revised Edition.
- Anic, I.D. (2010). Attitudes and Purchasing Behavior of Consumers in Domestic and Foreign Food Retailers in Croatia, 28(1), pp.113-133.
- Armstrong, J.S., Morwitz, V.G. & Kumar, V. (2000). Sales Forecasts for Existing Consumer Products and Services: Do Purchase Intentions Contribute to Accuracy?
- Atkin, C., Block, M. (1983). Effectiveness of Celebrity Endorsers. *Journal of Advertising Research*, 23(1), pp. 57-61.
- Au-Yeung, P.Y. (2012). Effects of Celebrity Endorsement on Consumer Purchasing Intention on Apparel Products (Bachelor Degree Thesis). Retrieved from [www.itc.polyu.edu.hk/UserFiles/access/Files/BA/FYP1112](http://www.itc.polyu.edu.hk/UserFiles/access/Files/BA/FYP1112)

- Baron, R. M., & Kenny, D. A. (1986). The Moderator-Mediator Variable Distinction on Social Psychological Research: Conceptual, Strategic, and Statistical Considerations. *Journal of Personality and Social Psychology*, 51, pp.1173–1182.
- Blackwell,R.D., Miniard,P.W., & Engel,J.F. (2001). Consumer Behavior. Mason, Ohio: South-Western.
- Bower, A. B. & Landreth,S (2001). Is Beauty Best? Highs versus Normally Attractive Models in Advertising. *Journal of Advertising*, 30,pp. 1-11.
- Bornmark,H., Goransson,A. & Svensson,C. (2005).A Study to Indicate the Importance of Brand Awareness in Brand Choice: A Cultural Perspective (Bachelor Degree Thesis),Kristiansad University
- Brown, M. (2003). Buying or Browsing? An Exploration of Shopping Orientations and Online Purchase Intention. *European Journal of Marketing*, 37(11/12), pp.1666-1684.
- Bryan,L.C.W. & Jimmy,L.J.W (2009). A Review of The Top 100 Global Brands 2007. *Labuan e-Journal of Muamalat and Society*, 3, pp. 34-40.
- Byrne,A.,Whitehead,M. & Breen,S. (2003). The Naked Truth of Celebrity Endorsement. *British Food Journal*, 105 (4/5), pp. 288 – 296.
- Caballero, M. J.& Solomon,P.J (1984). Effects of Model Attractiveness on Sales Response. *Journal of Advertising*, 13,pp.17-23.
- Carvalho,C.A (2011). Impact of Consumer Attitude in Predicting Purchasing Behaviour. Available at: <http://www.iaso.com.br/pdf/Impact%20of%20Consumer%20Attitude%20in%20Predicting%20Purchase%20Behaviour.pdf>
- Chan,W.Y. (2012). Investigation on Celebrity Endorsement: Effect on Consumer-Based Brand Equity in Hong Kong Cosmetic Market (Bachelor Degree Thesis), Hong Kong Polytechnic University.
- Chan,S.P. & Srinivasan,V. (1994). A Survey-Based Method for Measuring and Understanding Brand Equity and Its Extendibility Brand. *Journal of Marketing Research*, 31, pp.271-288.
- Chantima,P. (2010). Gender Influence on Purchase Intention. (Master Dissertation). Retrieved from eprints.usm.my<http://eprints.usm.my/id/eprint/23753>
- Chen,C.L. (2011). Strategic Thinking Leading to Private Brand Strategy that Caters for Customers' Shopping Preferences in Retail Marketing. *African Journal of Business Management*, 3 (11), pp. 741-752. Retrieved from <http://www.academicjournals.org/AJBM>

- Chin,J. (2015). Malaysia's Inflation in August Higher than Expected, *The Star Online*,Business News.
- Choy,J.Y., Ng,C.S. & Ch'ng,H.K. (2010). Consumers' Perceived Quality, Perceived Value and Perceived Risk Towards Purchase Decision on Automobile. *American Journal of Economics and Business Administration*, 3 (1), pp.47-57.
- Chua,L.C. (2006). Sample Size Estimation Using Krejcie and Morgan and Cohen Statistical power Analysis: A Comparison. *Research Journal IPBL*, 7.
- Cobb-Walgren, C.J., Ruble, C.A. & Donthu, N. (1995). Brand Equity, Brand Preference and Purchase Intent. *Journal of Advertising*, 24 (3).
- Cooper,D.R. & Schindler,P.S. (2003). Business Research Method, 8ed. McGraw Hill. Irwin.
- Dass,F. (2013). Malaysia:Nestle's New Plant to Boost Competitive Edge,Business Times.
- Dean (1999). Brand Endorsement, Popularity, and Event Sponsorship as Advertising Cues Affecting Consumer Pre purchase Attitude. *Journal of Advertising*, 28(3), pp.1-12.
- Dean,D.H. & Biswas,A., (2001). Third-party Organization Endorsement of Products: An Advertising Cue Affecting Consumer Pre-purchase Evaluation of Goods and Services. *Journal of Advertising*, 30 (4), pp. 41-57.
- Dengra,M. (2013). Impact of Celebrity Endorsement on Customer's Buying Behaviour with Reference to Indore City. *Altius Shodh Journal of Management & Commerce*, 1(2), pp. 217-221.
- Department of Statistic Malaysia (2013). Population and Demography, Penang Basic Information 2013.
- Dimed,C. & Joulyana,S. (2005). Celebrity Endorsement: Hidden Factors to Success (Masters Thesis), Jonkoping International Business School.
- Dzisah,W.E. & Ocloo,C.E. (2013). Celebrity Endorsement and Consumer Buying Behaviour: Enhancing the Promotion Function of Marketing in the Central Business Area of Accra, Ghana. *European Journal of Business and Management*, 5(25).
- Erdogan, Z. B., Baker, M., & Tagg, S. (2001). Selecting Celebrity Endorsers: The Practitioner's Perspective, *Journal of Advertising Research*, 41(3), pp. 39-48.
- Erfan,S. & Kwek,C.L. (2013). Mediating Effects of Brand Association,Brand Loyalty,Brand Image and Perceived Quality on Brand Equity. *Asian Social Science*,9(3).



- Ernest,C.D., Yee,T.C., Khalique,M. (2012). It's Not Just a Brand Name: The Impact of Language on Consumer Attitude and Behavior. *International Journal of Research Studies in Management*, 1(2), pp. 47-56.
- Escalas, J. E. & Bettman,J.R. (2005). Self-Construal, Reference Groups, and Brand Meaning. *Journal of Consumer Research*, 32, pp.378-389.
- Euromonitor International (2013). Frozen Processed Food in Malaysia Report, *Country Market Insight*, October 2010.
- Evangelista,R.C.S. (2008). An AHP Approach to Assess Brand Intangible Assets. *Measuring Business Excellence*, 12(2), pp. 68 – 78.
- Fahy,J. & Jobber,D. (2012). Foundations of Marketing , 4<sup>th</sup> ed, McGraw-Hill
- Farquhar,P.H. (1989). Managing Brand Equity. *Marketing Research* ,1(September), pp.24-33.
- Farzana,Y, Shukri,A.Y., & Ali,K. (2014). Customer Perceived Risk on Store Brand Products: A Study on Malaysian Hypermarket Consumer Perspective. *International Journal of Academic Research in Business and Social Sciences*, 4(9).
- Farrell,K.A., Karels,G.V., Monfort, K.W. & McClatchey, C.A. (2000). Celebrity Performance and Endorsement Value: The Case of Tiger Woods. *Managerial Finance*, 26(7), pp. 1-15.
- Fathi,F. & Kheiri,B. (2015). Celebrity Endorsement and Its Effect on Consumer Behavior: A Literature Review. *International Journal of Review in Life Sciences*, 5(10),pp.619-626.
- Fink, A. (2003). The Survey Handbook (2nd ed.). Thousand Oaks, CA: Sage Publication, Inc.
- Foulandivanda,F., Pashandi,M.A., Hooman,A., & Khanmohammadi,Z. (2013). The Effect of Brand Equity on Consumer Buying Behavior in term of FMCG in Iran. *Journal of Contemporary Research in Business*, 4(9), pp. 945-957.
- Friedman, H., Friedman, L., (1979 ). Endorser Effectiveness by Product Type. *Journal of Advertising Research*,19, pp.63-71.
- Gay, L.R. & Diehl, P.L. (1992). Research Methods for Business and Management, New York:Macmillan.
- Ghani,U. & Kakakhel,T. (2011). The Impact of Celebrity Endorsement on the Youth of Pakistan, *2011 International Conference on Business and Economics Research*, IPEDR ,16, IACSIT Press: Singapore.

- Ghauri, P. & Gronhaug, K. (2010). *Research Methods in Business Studies*, 4<sup>th</sup> ed., Pearson
- Gliem, J.A & Gliem, R.R (2003). Calculating, Interpreting, and Reporting Cronbach's Alpha Reliability Coefficient for Likert-Type Scales, Midwest Research to Practice Conference in Adult, Continuing, and Community Education.
- Goldsmith, R.E., Lafferty, B.A. & Newell, S.J. (2000). The Impact of Corporate Credibility and Celebrity Credibility on Consumer Reaction to Advertisements and Brands. *Journal of Advertising*, 29(3), pp. 43-54.
- Goi, C.L. & Chieng, F.Y.L (2011). Dimensions of Customer-Based Brand Equity: A Study on Malaysian Brands. *Journal of Arts Science and Commerce*, 2(1), pp.33-42.
- Gwinner, K. P. & J. Eaton (1999). Building Brand Image Through Event Sponsorship: The Role of Image Transfer. *Journal of Advertising*, 28.
- Hafsah, H. (2013). Overview of SME Sector in Malaysia, SME Global Champions: Malaysia-India SME Forum
- Hair, J.F., Black, W., Babin, B., & Anderson, R.E. (2009). *Multivariate Data Analysis: A Global Perspective*, 7<sup>th</sup> Ed. Pearson Education, Upper Saddle River
- Hakimi, B.Y., Abedniya, A. & Zaeim, M.N. (2011). Investigate the Impact of Celebrity Endorsement on Brand Images. *European Journal of Scientific Research*, 58(1), pp.116-32.
- Hamin, C., & Elliot, G. (2006). A Less-Developed Country Perspective of Consumer Ethnocentrism and Country of Origin Effects: Indonesian Evidence. *Asia Pacific Journal of Marketing and Logistics*, 18(2), pp.79-92.
- Hartmand, D. & Media, D. (2014). The Advantages of Fast Moving Consumer Goods or Consumer Packaged Goods. *Hearst Newspapers*. Retrieved from <http://smallbusiness.chron.com/advantages-fast-moving-consumer-goods-consumer-packaged-goods-23543.html>
- Hasan, S. (2013). Consumerism Trend In Malaysia, myForesight, 2
- Havlena, W. J. & W. S. DeSarbo (1991). On the Measurement of Perceived Consumer Risk. *Decision Sciences*, 22, pp.927-939.
- Hong Kong Trade Development Council (2014). Malaysia: Opportunities in its Dynamic and Diversified Consumer Market.
- Horai, J., Naccari, N. & Fathullah, E. (1974). The Effects of Expertise and Physical Attractiveness Upon Opinion Agreement and Liking. *Sociometry*, 37, pp.601-606.

- Hsinking Chi, Huery-Ren Yeh, & Yi Ching Tsai (2011). The Influences of Perceived Value on Consumer Purchase Intention: The Moderating Effect of Advertising Endorser. *Journal of International Management Studies*, 6(1), pp.92-97.
- Hsu,C.K. & McDonald,D. (2002). An Examination of Multiple Celebrity Endorsers in Advertising. *Journal of Product and Brand Management*, 11(1), pp.19-28.
- Jafar,A., Adidam,P.T. & Prasad,M.V.R. (2011). Celebrity Endorsements Vis-à-vis Brand Equity of High Fashion. *Innovative Marketing*, 7(4).
- Jamal,M.E.A. (2013). Actual Purchase Behavior of Local Brand Antecedents in Yemen : The Mediating Effect of Purchase Intention (Doctoral Thesis).Retrieved from UUM Repository Database
- Jamal,M.E.A.,Nik,K.N.M, Salniza,M.S.,Habibu,M.U.,Musa,E.,Anas,S., & Abu,N. (2012). Determining the Antecedents of Actual Purchase of Local Product Brand in Yemen. *American Journal of Economics*, Special Issue (June),pp.97-100.
- Jan,P.V., Kwang,S.N. & Anand,A. (2011). Determinants of Willingness to Purchase Organic Food: An Exploratory Study Using Structural Equation Modeling. *International Food and Agribusiness Management Review*, 14(2).
- Jerzyk,E. & Wyczynski,K. (2015). The Nationality and The Type of Celebrities Endorsing Product Versus Ethnocentric, Attitudes of Polish Consumers, Conference Paper, January 2015. Retrieved from <http://www.researchgate.net/publication/270903222>
- Jones, M. A., Mothersbaugh, D. L., & Beatty, S. E. (2002). Why Customers Stay: Measuring the Underlying Dimensions of Services Switching Costs and Managing their Differential Strategic Outcomes. *Journal of Business Research*, 55(6), pp.441–450.
- Kahle, L.R. & Homer, P. (1985). Physical Attractiveness of the Celebrity Endorser: A Social Adaptation Perspective. *Journal of Consumer Research*, 11, pp. 954-61.
- Kaikati, J.G. (1987). Celebrity Advertising: A Review and Synthesis. *International Journal of Advertising*, 6, pp.93-105.
- Kamakura,W.A. & Russel, G. J. (1993). Measuring Brand Value with Scanner Data. *International Journal of Research in Marketing*, 10 (1), pp. 9-22.
- Kamins, M.A. (1990). An Investigation into the Match-up Hypothesis in Celebrity Advertising: When Beauty May Be Only Skin Deep. *Journal of Advertising*, 19 (1), pp. 4-13.

- Kamins, M.A., Brand, M.J., Hoeke, S.A., & Moe, J.C. (1989). Two-sided Versus One-Sided Celebrity Endorsements: The Impact on Advertising Effectiveness and Credibility. *Journal of Advertising*, 18(2), pp. 4-10.
- Kantar World Panel (2013). 2013 Brand Footprint Report
- Kearney, A.T. (2012). Ideas and Insight: Buying into Local Food Movement, ATKearney.
- Keller, K.L. (1993). Conceptualizing, Measuring, and Managing Customer-Based Brand Equity. *Journal of Marketing*, 57, pp.1-22.
- Keller, K.L. (2001). Building Customer-Based Brand Equity. *Marketing Management*, 10(2), pp.14-19.
- Kotler, P., & Armstrong, G. (2009). *Marketing Essentials*, New York: Prentice Hall.
- Krejcie, R. V., & Morgan, D. W. (1970). Determining Sample Size for Research Activities. *Educational and Psychological Measurement*, 30(3), pp.607-610.
- Kwan, B. (2011). Malaysians' Love-Hate Relationship with Celebrities, *Marketing Magazine*. Retrieved from <https://www.marketingmag.com.au/news-c/malaysians-love-hate-relationship-with-celebrities/>
- Langmeyer, L. & Shank, M. (1994). Managing Beauty-Products and People. *Journal of Product and Brand Management*, 3(3), pp.27-38.
- Lassar, W., Mittal, B. & Sharma, A. (1995). Measuring Customer-Based Brand Equity. *Journal of Consumer Marketing*, 12 (4), pp.11-19.
- Lau, T.C., Chan, M.W., Tan, H.P., & Kwek, C.L. (2013). Functional Food: A Growing Trend among the Health Conscious. *Asian Social Science*, 9(1).
- Lear, K. E., Runyan, R. C., & Whitaker, W. H. (2009). Sports Celebrity Endorsements in Retail Products Advertising. *International Journal of Retail & Distribution Management*, 37(4), pp.308 – 321.
- Lee, W.L. (2010). The Influence of Packaging Attributes on Consumer's Purchase Decision of Packaged Food (Master's thesis)
- Lew, S. & Zuraidah, S. (2014). Consumer Purchase Intention Toward Products Made in Malaysia vs. Made in China: A Conceptual Paper. *Procedia: Social and Behavioral Sciences*, 130, pp. 37-45.
- Liu, M. T. (2011). Selecting a Female Athlete Endorser in China. *European Journal of Marketing*, 45, pp.1214-1235.

- Liu, M.T., Huang, Y.Y. & Minghua, F. (2007). Relations Among Attractiveness of Endorsers, Match-Up, and Purchase Intention in Sport Marketing in China. *Journal of Consumer Marketing*, 24, pp.358-365.
- Loh, L.P. (2014). Malaysia Retail Food Annual 2014. *Global Agricultural Information Network Report*, USDA Foreign Agricultural Service.
- Low, S.F. & Lim, S.W. (2012). Impacts of Celebrity Endorser on Malaysian Young Consumers: An Empirical Study in The Sports Industry. *SEGi Review*, 5 (1), July 2012, pp.95-114.
- Malaysian-German Chamber of Commerce and Industry (2012). Market Watch 2012: The Malaysian Food Industry
- Marubeni Group magazine (2006). M-SPIRIT, 35, Edition September
- Mathews, S., Jain, R., Shah, T., Hizli, S., & Porwal, J. (2008). Effect of Celebrity Endorsement on Consumer Based Brand Equity: Toothpaste Industry. *Mumbai Educational Trust, Bhujbal Knowledge Centre*
- Mazzini, M., Rosidah, M. & Lennora, P. (2011). Celebrity Endorsement in Advertising: A Double-edged Sword. *Journal of Asian Behavioral Studies*, 1(3).
- McCracken, G. (1989). Who is the Celebrity Endorser? Cultural Foundation of the Endorsement Process. *Journal of Consumer Research*, 16, pp.310-321.
- Miciak, A.R. & Shanklin, W.L. (1994). Choosing Celebrity Endorsers. *Marketing Management*, 3(3), pp. 51-59.
- Misra, S. & Beatty, S.E. (1990). Celebrity Spokesperson and Brand Congruence: An Assessment of Recall and Affect. *Journal of Business Research*, 21, pp.159-173.
- Mohammad, D., Maryam, K. & Reza, K. (2012). Impact of Brand Equity on Purchase Decision of Final Consumer Focusing on Products with Low Mental Conflict. *J. Basic. Appl. Sci. Res.*, 2(10), pp.10137-10144.
- Mohammad, R.J., Neda, S. & Seyed, H.M. (2011). The Effect of Brand Equity Components on Purchase Intention: An Application of Aaker's Model in the Automobile Industry. *International Business and Management*, 2(2), pp.149-158.
- Moisescu, O.I. & Allen, B. (2010). The Relationship Between The Dimensions of Brand Loyalty: An Empirical Investigation among Romanian Urban Consumers. *Management & Marketing Challenges for Knowledge Society*, 5(4), pp.83-98.
- Motameni, R. & Shahrokhi, M. (1998). Brand Equity Valuation: A Global Perspective. *Journal of Product & Brand Management*, 7(4), pp. 275-290.
- Moynihan, R. (2004). The Intangible Magic of Celebrity Marketing. *PLoS Medicine*, 1(1), pp.102-104.

- Muhammad,E.M., Muhammad,M.G, Hafiz,K.I., Usman,R, Noor,U.H, Muhammad,M, & Salleh,S. (2013). Importance of Brand Awareness and Brand Loyalty in Assessing Purchase Intentions of Consumer. *International Journal of Business and Social Science*, 4(5).
- Mukherjee,D. (2009). Impact of Celebrity Endorsements on Brand Image. *Social Science Research Network Electronic Paper Collection*. Retrieved from <http://ssrn.com/abstract=1444814>
- Nasreen,K.,Syed,H.R.R, Hong,Y.H., Tan,B.C. (2015). Causal Relationships among Dimensions of Consumer-Based Brand Equity and Purchase Intention: Fashion Industry. *International Journal of Business and Management*, 10(1).
- New Zealand Trade and Enterprise (2012). Food and Beverage in Malaysia, Market Profile January 2012.
- Ngui,Y. (2015). Malaysia Central Bank Sees Slower Growth in 2015, Sliding Oil Prices a Risk, Reuters.
- Nielsen (2014). Consumer Confidence Level in Malaysia below Global Average.
- Nigam,A. & Kaushik,R. (2011). Impact of Brand Equity on Customer Purchase Decisions: An Empirical Investigation with Special Reference to Hatchback Car Owners in Central Haryana. *International Journal of Computational Engineering & Management*, 12.
- Nornadiah,M.R. (2009). Test of Normality: A Power Comparison of Kolmogorov-Smirnov, Anderson-Darling, Shapiro-Wilk, and Lillifors Test (Masters Dissertation). Retrieved from <http://eprints.uitm.edu.my/7708/1>
- Norsara,N.M.Y., Wan,E.W.R., Norafifa,M.A, & Norhidaya,M.R. (2014). Muslim's Purchase Intention towards Non-Muslim's. *Procedia - Social and Behavioral Sciences* , 130 , pp.145 – 154.
- Norshamliza,C. & Batt,P.J. (2013). Exploring the Factors Influencing Consumers' Choice of Retail Store When Purchasing Fresh Meat in Malaysia. *International Food and Agribusiness Management Review*, 16(3).
- O'Doherty,J., Winston,J.,Critchley,H. , Perrett,D.,Burt,D.M., & Dolan,J. (2003). Beauty in a Smile: The Role of Medial Orbitofrontal Cortex in Facial Attractiveness. *Neuropsychologia* ,41, pp.147-155.
- Ohanian,R. (1990). Construction and Validation of a Scale to Measure Celebrity Endorsers' Perceived Expertise, Trustworthiness, and Attractiveness. *Journal of Advertising*, 19 (3), pp.39-52.
- Osborne,M. (2013). Why Malaysian Firms Must Start to Build Brands and How to Do It. *Economic Transformation Programme*, Business Circle.

- Oyeniya, O. (2014). Celebrity Endorsement and Product Performance: A Study of Nigerian Consumer Markets. *Management & Marketing*, 12(1).
- Pallant, J. (2005). SPSS Survival Manual: A Step by Step Guide to Data Analysis Using SPSS for Windows (Version 12). 2nd ed. Maidenhead: Open University Press.
- Park, C. S. & Srinivasan, V. (1994). A Survey-Based Method for Measuring and Understanding Brand Equity and Its Extendibility. *Journal of Marketing Research*, 31 (2), pp. 271-288.
- Parmar, B. J. & Patel, R. P. (2014). A Study on Consumer Perception for Celebrity & Non Celebrity Endorsement in Television Commercials for Fast Moving Consumer Goods. *Global Business and Economics Research Journal*, 3(2), pp. 1-11.
- Peli, E., Lee, E., Trempe, C. L. & Buzney, S. (1994). Image Enhancement for the Visually Impaired: The Effects of Enhancement on Face Recognition. *Optical Society of America*, 11, pp. 1929-1939.
- Powell, H., Hardy, J., Hawkin, S. & MacRury, I. (2009). The Advertising Handbook, Advertising Standards Authority.
- Pricewaterhouse Coopers (PWC). (2013). 2013 Outlook for Retail and Consumer Products Sector in Asia.
- Pronskaia, M. (2005). Alternative Brand Naming Strategies for Bottled Water Division of Group Danone in British Columbia.
- Rajah, R. (2011). Malaysian Economy :Unfolding Growth and Social Change.
- Rangsimak, K. & Wahloonluck, C. (2013). The Use of Celebrity Endorsement with the Help of Electronic Communication Channel (Instagram): Case study of Magnum Ice Cream in Thailand (Masters thesis)
- Rex, M. (1997). Source Expertise and Attractiveness of Celebrity Endorsers: A Literature Review. *Cyber Journal of Sport Advertising*.
- Rimal, A., Fletcher, S. M., & McWatters, K. H. (1999). Actual Purchase vs Intended Purchase: Do Consumers Buy What They Say?
- Roll, M. (2006). Asian Brand Strategy: How Asian Build Strong Brands, Palgrave MacMillan, pp. 74-85.
- Saleem, F. (2007). Young Adult Perception towards Celebrity Endorsement: A Comparative Study of Single Celebrity and Multiple Celebrities Endorsement. *European Journal of Economics, Finance and Administrative Sciences*, 8, pp. 128-139.

- Salman,M. & Naeem,U. (2015). The Impact of Consumer Ethnocentrism on Purchase Intentions: Local Versus Foreign Brands. *The Lahore Journal of Business*, 3(2), pp. 17–34.
- Saunders,M.,Lewis,P.,and Thornhill,A. (2012). Research Methods for Business Students.6th ed.London:Pearson
- Seelan, R. J. (2010). Sale of Carrefour May Interest Competition Commission. Retrieved from: <http://biz.thestar.com.my/news/story.asp?file=/2010/9/3/business/6973298>
- Seno,D. & Lukas,B.A. (2007). The Equity Effect of Product Endorsement by Celebrities: A Conceptual Framework from a Co-branding Perspective. *European Journal of Marketing*, 41 (1/2), pp. 121-134.
- Sharma,M.K. (2014). The Impact on Consumer Buying Behaviour: Cognitive Dissonance. *Global Journal of Finance and Management*, 6(9), pp.833-840.
- Simon,C.J. & Sullivan,M.W. (1993). The Measurement and Determinants of Brand Equity: A Financial Approach. *Marketing Science*, 12 (1),pp.28-52.
- Siti,N.J.,Pan,E.L. & Mohaini,M. (2013). Consumers' Perceptions, Attitudes and Purchase Intention towards Private Label Food Products in Malaysia. *Asian Journal of Business and Management Sciences*, 2(8).
- Siti Soleha,A.S., Mohhidin,O. (2014). Consumer Disconfirmation of Expectation and Satisfaction with SMEs Halal Food Products in Klang Valley, Malaysia: A Theoretical Framework. *Proceeding: 11th International Postgraduate Research Colloquium 2014*.
- Sivesan,S.(2013). Impact of Celebrity Endorsement on Brand Equity in Cosmetic Product. *International Journal of Advanced Research in Management and Social Sciences*, 2(4),pp.2278-6236.
- Sliburyte, L. (2009). How Celebrities Can Be Used in Advertising to the Best Advantage? *World Academy of Science, Engineering and Technology* ,58,pp.934-939.
- Socio-Economic Research and Intelligence Observatory (2008). Understanding of Consumer Attitudes and Actual Purchasing Behaviour, with Reference to Local and Regional Foods, Socio-economic Research and Intelligence Observatory in Collaboration with the University of Plymouth Agrifood Centre, Rural Futures Unit and the Small Business and Services Unit.
- Sola,O.A. (2012). The Impact of Celebrity Endorsement on Strategic Brand Management. *International Journal of Business and Social Science*, 3(6), p.141.



- Solomon,M.R., Ashmore,R.D. & Longo,L.C. (1992). The Beauty Match-up Hypothesis: Congruence between Types of Beauty and Product Images in Advertising. *Journal of Advertising*, 21,pp.23-34.
- Spry,A., Pappu,R., & Cornwell,T.B. (2011).Celebrity Endorsement, Brand Credibility and Brand Equity. *European Journal of Marketing*, 45(6), pp.882-909.
- Srinivasan,V., Park,C.S. & Chang, D.R. (2001), EQUITYMAP: Measurement, Analysis and Prediction of Brand Equity and Its Score. *Research Paper Series*, No: 1685. Graduate School of Business, Stanford University.
- Subhadip R (2006). An Exploratory Study in Celebrity Endorsements. *J. Creat. Commun.*, 1 (2).
- Sun,B. & Morwitz,V.G. (2005). Predicting Purchase Behavior from Stated Intentions: A Unified Model. *International Journal for Forecasting*, 16(3), pp. 383-397.
- SuperBrands Malaysia (2013). Malaysia's Top 10 Brands 2013.
- Syed,R.U.H. & Raja,A.J. (2014). Influence of Celebrity Endorsement on Consumer Purchase Intention for Existing Products: A Comparative Study. *Journal of Management Info*, 4(1), pp.1-23.
- Tan,T.M. (2012). An Empirical Study on Brand Equity in Malaysian Fast Food Industry, Unpublished Mphil Thesis, Multimedia University.
- Tan,T.M., Hishamuddin,I., & Devinaga,R. (2013). The Common Challenges of Brand Equity Creation among Local Fast Food Brands in Malaysia. *International Journal of Business and Management*,8(2).
- The Business Magazine of the Malaysian-German Chamber of Commerce and Industry (2013). MGCC Perspectives: Malaysia's Food and Beverage Sector in a Nutshell, July/August Edition, 19(4).
- The Star (2015). Nestle Cuts Capex to Focus on New Plant.
- Tho,D.N., Nigel,J.B. & Kenneth, E.M. (2011). Brand Loyalty in Emerging Markets. *Marketing Intelligence & Planning*, 29(3), pp. 222 – 232.
- Thusyanthy,V. & Tharanikaran,V. (2015). The Relationship Variables to Celebrity Endorsement and Brand Equity. *A Comprehensive Review International Journal of Business and Management*; 10(11).
- Till,B.D. & Busler,M. (2000). The Match-up Hypothesis: Physical Attractiveness, Expertise, and The Role of Fit on Brand Attitude, Purchase Intent, and Brand Beliefs. *Journal of Advertising*, 29(3), pp.1-14.

- Till, B.D. (1998). Using Celebrity Endorsers Effectively: Lessons from Associative Learning. *Journal of Product & Brand Management*, 7(5), pp. 400-409.
- Till, B.D. & Shimp, T.A. (1998). Endorsers in Advertising: The Case of Negative Information. *Journal of Advertising*, 27(1), pp. 67-82.
- Till, B. D. & Busler, M. (1998). Matching Products with Endorsers: Attractiveness Versus Expertise. *The Journal of Consumer Marketing*, 15(6), pp.576.
- Till,E.T., Berger,E. & Larour,P. (2008). On an Exceptional Forming Behaviour Aspect of AHSS Sheets, IDDRG.
- Tinsley, H.E.A., & Tinsley, D.J. (1987). Use of Factor Analysis in Counseling Psychology Research. *Journal of Counseling Psychology*, 34,pp.414-424.
- Turner, G. (2006). The Mass Production of Celebrity. *International Journal of Cultural Studies*,9,pp.157-165.
- Tyler, I. & B. Bennett (2009). Celebrity Chav: Fame, Femininity and Social Class. *European Journal of Cultural Studies*, 13.
- Tong, X. & Hawley, J.M. (2009). Measuring Customer-Based Brand Equity: Empirical Evidence from the Sportswear Market in China. *Journal of Product & Brand Management*, 18(4), pp.262-271.
- Tze,S.O., Lay,Y.Y & Boon,H.T. (2011). Intellectual Capital Efficiency in Malaysian Food and Beverage Industry, *International Journal of Business and Behavioral Sciences*, 1(1).
- Vahdati,H., Mousavi,N. & Moghadam,J.T. (2014). A Study on the Effect of Marketing Mix on the Repurchase Intention with the Consideration of the Mediating Role of Brand Equity (Case Study: Ghaem Shahr Refah Bank). *Advances in Environmental Biology*, 8(21), pp. 467-474.
- Wan,M.M. (2013). Determining Comparative Advantage index of Food Processing Industry in Malaysia:Food and Beverage Industry in Malaysia.
- Wan,Z.W.H, Abu Bakar,H., & Lili,J.A.B (2005). Consumer Purchase Intention at Traditional Restaurant versus Fast Food Franchise Restaurant.
- Wanninayake,W.M.C.B. & Chovancova,M (2012). Consumer Ethnocentrism and Attitudes towards Foreign Beer Brands: With Evidence from Zlin Region in the Czech Republic. *Journal of Competitiveness*, 4(2), pp. 3-19.
- Xin,J.L. (2014). Does Sports Athletes Credibility Affects Attitude Towards Advertisement Among Consumers in Penang, Malaysia: A Structured Abstract. *Business and Economics*, pp.468-471.

- Yakup,D. & Ahmet,T. (2014). A Theoretical Approach to the Influence of Social Class on Consumer Behavior. *American International Journal of Social Science*, 3(3).
- Yoo, B. & Donthu,N. (2001). Developing and Validating Multidimensional Consumer-Based Brand Equity Scale. *Journal of Business Research*, 52(1), pp.1-14.
- Young & Rubicam (1994). *Brand Asset Valuator*, Y&R, London.
- Yi,Z. (2015). The Impact of Brand Image on Consumer Behavior: A Literature Review, *Open Journal of Business and Management*, 3, pp. 58-62.
- Zabid,A.R., Jainthy,N. & Samsinar,M.S. (2002). Perceptions of Advertising and Celebrity Endorsement in Malaysia. *Asia Pacific Management Review*, 7(4), pp.535-554.
- Zeb,H., Rashid,K. & Javeed, M. (2011). Influence of Brands on Female Consumer's Buying Behavior in Pakistan. *International Journal of Trade, Economics and Finance*, 2(3), pp.225-231.
- Zulkifli,C.M. & Anas,T. (2014). Challenges and Marketing Strategies of Halal Products in Malaysia, *5<sup>th</sup> International Conference on Business and Economic Research Proceedings*.



UUM  
Universiti Utara Malaysia