

Does Advertisement and Celebrity Endorsements Influence The Korean Cosmetic Products Purchase Intention? Empirical Evidence among Netizen in Kota Samarahan, Sarawak

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Abstract

Celebrity endorsement will create profound brand awareness. Sensible and passionate appeals are related to the advertisement. In sensible appeals, the item is accentuated principally on its advantages and passionate appeals meet the consumer's psychology, enthusiasm, and social prerequisites. Thus, this study would like to examine the relationship of advertisement's influence and celebrity's endorsements in purchase intention of Korean cosmetic products. The result reveals that both advertisement and celebrity endorsement has a strong relationship with purchase intention. Ultimately, celebrity endorsement has a strong influence in convincing netizen purchase intention towards Korean cosmetic product.

Keywords - Advertisement, Celebrity Endorsement, Korean Cosmetic Products, Purchase Intention

Introduction

Malaysia is developing vastly in beauty and healthy market. Reported by Gerstle et. al. (2016), Malaysia's total trade volume for personal care and cosmetics products was about US\$2.24 billion in 2015. Malaysian consumers tend to get cosmetic items from the best name brand that are showcasing particularly in term of improving energetic appearance. The items are beauty care products and toiletries, skincare items, eye make-up, and powder make-up, lip make-up readiness, manicure, and pedicure. The Malaysian neighbourhood cosmetic products and toiletries advertisement are esteemed at about MYR 3 billion, with a development rate of 13% every year. (Hassali, AL-Tamimi, Dawood, Verma & Saleem, 2015). According to Wen (2014), the blast of K-beauty culture begins by the growing popularization of Korean dramas and previous research has discovered that media advertisements are the most mainstream

commercials and individuals like TV promotions, so it is an appropriate medium to publicize items like cosmetic products. (Fatima & Samreen, 2015). Therefore, advertisement seems to be important in this study but currently not many Korean advertisements can be observed in Malaysia.

Research Problem and Research Objectives

The global community has become increasingly aware of the blast of K-beauty culture mentioned by the growing popularizations of Korean dramas. Thus, the purchase of Korean cosmetic products has become a significant issue that could strengthen the sustainability of businesses in a dynamic world. However, not all companies have the foresight and competence to establish and implement relevant marketing practices. An announcement of a celebrity endorser contract is found to positively affect stock returns, making celebrities a worthwhile investment (Agrawal and Kamakura, 1995; Mathur et al., 1997). Hence, if firms wish to successfully embrace these opportunities, they should integrate the notion of celebrity aid into all phases of their activities (Ottman, 1992). According to Oakley (2009), celebrity endorsement is essential and effective in all age group particularly youngsters. Utilizing the celebrity may improve the trust of the general population to purchase the item. However, it is not clear that this sort of factors will pull in shoppers.

Advertisement acts as a communicator where it educates shoppers about the item and service (Uusitalo, 2001) and generally, purchasing intention is related to the consumers' behaviour, knowledge, perception, and attitude. However, the significant interest in social media marketing (i.e., advertising) is in terms of advertising from both researchers' and practitioners' perspectives. This interest can only be demonstrated by a large amount of money spent by organizations on advertising campaigns. As a result, this raises a question about the feasibility of such campaigns from the firm's perspective. Thus, this study attempts to investigate the relationship and influence of advertisements and celebrity endorsements towards netizen to purchase Korean cosmetics products specifically in Kota Samarahan, Sarawak. This is because purchase intention is adjusted by the impact of certain factors such as value, quality or perception and is generated by the extent of endorsement from the advertising strategy (Grewal et al, 1998; Zeithaml, 1988).

Literature Review

Purchase Intention

The possibility that consumers will plan or be willing to buy a certain product or service in the future can be called as purchase intention. Building a positive attitude towards products will help to increase intention regarding cosmetic products (Sreen, Purbey & Sadarangani, 2017). Intention refers to an attempt to buy goods or services. The intention to buy a good from a retailer depends on the production, trademark, and so on. Sometimes, purchasing is an enjoyable experience and an unplanned activity, also, in some cases a rational activity (Das, 2014, Shahrinaz et.al 2017). However, purchase intention may be adjusted by the impact of value, quality perception and value perception (Zeithaml, 1988). Besides, customers will be hindered by the interior drive and outer condition amid the obtaining process. Their behaviour will be driven by the physiological inspiration that empowers their reaction which conveys them to the retail location to satisfy their needs (Kim and Jin, 2001).

Advertisement

Throughout the years, advertising is defined in numerous ways. Industry icon, Leo Burnett defines it as "selling corn flakes to people who are eating Cheerios" (Bendinger, 1993), U.S. President Calvin Coolidge calls it "the life of trade" (Bradley, Daniels, & Jones, 1960), English professor S.I. Hayakawa terms it "a symbol-manipulating occupation" (Chayakawa, 1964), and media guru Marshall McLuhan refers to it as "the cave art of the twentieth century" (Fitzhenry, 1993). Although each of these definitions without a doubt catches some part of publicizing's embodiment, they need adequate exactness to recognize promotion from some different types of discourse. On the other hand, Kim and Parker (1999) propose that it is difficult to gauge the effective commercialization of private mark item and customers could have different perceptions and experiences in interacting with advertisements. This is also due to the nature of today's Internet advertisement (social media advertisements) as they empower customers to have more engagement (i.e. liking, posting and commenting) with the targeted ads (Tuten & Solomon, 2017). However, customers are more likely to ignore advertisements if they perceive a degree of privacy concern (Jung, 2017). Thus, a fruitful promotion must regularly join by the role of organization reputation (Alalwan,

2018). In light of this review, it is obvious that there is a need to examine the most critical aspects of advertising that affects purchase intention.

Celebrity Endorsement

Famous people have been endorsing products since the late nineteenth century. Such an example from the early days of utilization involves Queen Victoria in association with Cadbury's Cocoa (Shennan, 1985). Thus, it is not a current phenomenon by using celebrities (Kim and Kang, 2017). The emergence of celebrity endorsements has generated widespread parasocial interaction. Such parasocial fascinations enable a growing connection with the personal brands of the endorsers, resulting in increased brand loyalty and a willingness to share personal information with the brands (Labrecque, 2014). Besides, celebrities' personalities are at the top of the list of the most-followed pages on Instagram, frequently used to deliver marketing communication messages to their followers. Therefore, celebrity endorsements are considered credible sources in generating a positive word regarding particular products and services (Spry, Pappu, & Bettina Cornwell, 2011). In overall, endorsed celebrity does influence consumer's attitude towards purchase intentions.

Advertisement and Celebrity Endorsement about Purchasing Intention

Research in recent years has studied the impacts of advertisement and celebrity endorsement on customers' purchase intention in various angles. According to Gauns, Pillai, Kamat, Chen, and Chang (2017), consumers prefer celebrity endorsements when compared to non-celebrity endorsements because they deem it as more attractive and influential. Their study also shows a positive relationship between celebrity endorsement and purchase intention that proves the impacts celebrity has in influencing the customers. Similarly, a celebrity has the potential to influence customers' attitude on the advertisement if he or she has robust credibility as an endorser, establishing a platform to boost the possibility for customers' purchase intention (Singh & Banerjee, 2018). In another research, it is proven that celebrity endorsers enhance value to the brand endorsed and utilizing celebrity as endorsers is an effective method of advertising (Attia, 2017). From these studies, the relationship of celebrity endorsement and advertisement with purchase intention is visible as the role of celebrity in the advertisement is prominent in affecting customers' purchase intention.

Therefore, the researcher has decided to investigate further on this angle in a more focused context.

Methodology

Quantitative data-based research was designed, and a survey questionnaire was employed as an instrument to collect data. The respondents for this research were individuals in Kota Samarahan, Sarawak. Non-probability sampling method was used for data collection. G-Power analysis software was utilized to determine the minimum sample size of this research, the effect size of “f square” 0.15, α error prob 0.05, power (1- β err prob) 0.8 with a number of 4 predictors, based on the result from G*Power, 85 respondents was the minimum sampling size for this research. Total of 150 surveys was circulated arbitrarily to individuals in Kota Samarahan where the focused population on the region is 87923 given authority government enumeration site by the Department of Statistics Malaysia. The last evaluation was directed in 2010 and the following statistics which was relied upon was to be done in 2020 (Sarawak Government, 2010). 5 point Likert Scale was adopted to ask on the respondents' state of mind towards the buyer's buying aim.

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5 point Likert Scale (1 represented strongly disagree to 5 represented strongly agree) was adopted to ask on the respondents' state of mind towards buyer's buying aim. The questionnaires are separated into three primary areas, Section A – Ask respondents about their statistic, Section B and C – Factors influencing consumer

purchase intention towards Korean cosmetics and Section D is the open-ended question. Using statistical package for the social science (SPSS) version 20 to analyze the data that returned by the respondents, Cronbach Alpha is used to test the reliability of the variable to determine the variable has low or high reliability.

By comparing the two variables, the Pearson Correlation provides the information regarding the strength and direction of the relationship (significant is at p-value <0.05) and using Guttman's Rule of Thumb. From the simple linear regression, an F test is utilized whether the relationship can be summed up to the populace spoken by the specimen (significant at p-value <0.05).

Results and Discussion

Respondents' demographic profiles are as follow:

Table 1: Description of the Samples

Variables	Items	Frequencies	Percentages %
Gender	Male	55	36.7
	Female	95	63.3
Age	20 and below	19	12.7
	21 – 30 years old	129	86.0
	31 – 40 years old	2	1.3
Status	Single	140	93.3
	Married	10	6.7
Religion	Muslim	109	72.7
	Christianity	40	26.7
	Buddhism	1	0.7
Race	Malay	97	64.7
	Chinese	2	1.3
	Iban	26	17.3
	Bidayuh	11	7.3
	Melanau	8	5.3
	Others	6	4.0
Education	PhD	1	0.7
	Master	1	0.7
	Degree	85	56.7
	Diploma/STPM	59	39.3
	MCE/SPM/SPMV	4	2.7

Income	RM1,000 and below	137	91.3
	RM1,001 – RM2,000	11	7.3
	RM3,000 – RM4,001	2	1.3
Occupation	Government	3	2.0
	Private Firm	8	5.3
	NGO	4	2.7
	Student	134	89.3
	Others	1	0.7
Your Currently Cosmetic Products Used	Local Products	34	22.7
	International Products		
		116	77.3

Research Objective 1: To examine the relationship between advertisements and consumer's purchase intention.

Table 2: Pearson's Correlation Coefficients for Advertisement and Purchase Intention

Advertisement	Pearson Correlation	Purchase Intention
		.702**
	Sig. (2-tailed)	.000
	N	150

To examine the relationship between advertisement and consumer's purchase expectation, the outcome is shown in Table 2. Given Table 4.2 Guttman's Rules of Thumb, the finding has demonstrated that the ad and shopper's buying expectation among respondents in Kota Samarahan, Sarawak has an exceptionally solid and positive connection association with Pearson's Correlation. The value of 0.702 which demonstrates the quality of the connection between each measurement is direct, and the positive relationship (p value=0.000) is huge at 0.01 level (2 – followed). This implies the objective of this research is achieved as the outcome demonstrates that customer's buying goal among respondents is affected by advertisement. Ampuero and Vila (2006) and Grunert et al. (2006) expresses that promotion additionally assumes an essential part of buying choice process. While, as per Beneke (2008), the promotion gives the data to customers and along these lines demonstrates the separation between items.

Research Objective 2: To examine the relationship between celebrities endorsements and consumer's purchase intention.

Table 3: Pearson's Correlation Coefficients for Celebrity Endorser and Purchase Intention

		Purchase Intention
Celebrity Endorser	Pearson Correlation	.746**
	Sig. (2-tailed)	.000
	N	150

In light of Table 3, the finding has demonstrated that Celebrity Endorsement and Consumer's Purchase Intention among respondents in Kota Samarahan, Sarawak have an exceptionally solid and positive connection relationship. As indicated by Guttman's Rules of Thumb, the aftereffect of Pearson's Correlation Value is extremely solid with 0.746 ($r = 0.746$) which demonstrates the quality of the connection between each measurement are exceptionally solid, and positive relationship (p esteem = 0.000) and is critical at the 0.01 level (2 – followed). This implies the research objective which is to analyze the connection between Celebrity Endorsement and Consumer's Purchase Intention is answered as the outcome demonstrates that Consumer's Purchase Intention among respondents in Kota Samarahan, Sarawak is affected by Celebrity Endorsement. Laroche et al., (1996), states that celebrity endorsement has a positive relationship with purchase intention.

Research Objective 3: To examine the influence of advertisement and celebrity endorsement on purchase intention towards Korean cosmetic product.

Table 4: Regression Analysis for Purchase Intention

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.895 ^a	.801	.795	.37924
<i>F-Value: 145.709 Significant: 0.000</i>				

The general outcome for relapse display is critical ($p=0.000 < 0.05$) with F-esteem 145.709. Table 4 demonstrates the consequences of relapse of four autonomous factors against the subordinate variable, Consumer's Purchase Intention. From the outcome, R (0.895a) is the connection of four autonomous factors with the needy variable.

Afterwards, the balanced R square in the above table shows 0.801 in Consumer's Purchase Intention has been essentially clarified by all of the four autonomous factors.

It implies that 80.1% of fluctuation in Consumer's Purchase Intention is clarified by the difference in the free factors. The remaining 19.9% of the variance in Consumer's Purchase Intention is clarified by different indicators that are excluded by the specialists. Regardless of whether all four independent variables affect a dependent variable based on the R square value which is 0.801, it can still be considered as good because it is above 0.50.

Table 5: The Relationship between Variables (Standardized Coefficient Based on Beta Value)

Model	Coefficients				t	Sig.
	Unstandardized Coefficients		Standardized Coefficients			
	B	Std. Error	Beta			
(Constant)	.006	.167			.034	.973
Advertisement	.061	.061	.058		1.000	.319
Celebrity Endorser	.121	.059	.124		2.059	.041

Table 5 demonstrates the discoveries of noteworthy incentive for every variable. The outcome demonstrates all the free factors have an association with the needy variable. As indicated by Sekaran (2010), the noteworthy beneath of $p < 0.05$ by and large acknowledged the regular level in sociology which is inquired about.

Based on the institutionalized coefficients that Celebrity Endorsement is 0.124 and while for the Advertisement, it shows that the variable is insignificance in this study where it turns out to be more than 0.05. It may be because of the consumers' lack of confidence in the reliability of the advertisement or because of the familiarity of the products that they do not need to be convinced more. In light of Table 4.7, the huge incentive for all factors is underneath than 0.05 (critical incentive at $p\text{-value} < 0.05$) which implies that all factors are in a solid relationship except for the advertisement variable.

Conclusion and Future Research

In conclusion, celebrity endorser becomes the most significant criteria in the consumer's purchase intention of Korean cosmetic products. Based on the regression analysis, advertisement has to be excluded because the result turns out to be insignificant. This is because when the product is familiar to a person; he or she will define the product in a good way. Therefore, to build up trust in Korean cosmetic product, retailers should let consumers feel confident with their product (Bridge & Morgan, 2001). Further research could be conducted in a different segment of consumers or could be expanded to a larger sampling size or geographical area so that the result may be reflective of the actual buying pattern of consumers in Malaysia.

Although this study has proposed that advertisement and celebrity endorsement may influence consumers' purchase intention towards Korean cosmetic products, other factors are believed to be vital in better comprehending consumers' purchasing intention. More factors that are related to consumers' purchase intention of purchasing Korean cosmetic products to study the ingredients (organic and halal), consumers' attitude, consumers' trust and word of mouth questionnaire are also encouraged.

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