



**Factors Affecting the Effectiveness of
Celebrity Endorsed Advertisements
The Context of Ethiopian Banking Industry**

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Statement of Declaration

I hereby declare that this study entitled “Factors Affecting the Effectiveness of Celebrity Endorsed Advertisements the Context of Ethiopian Banking Industry” is my original work prepared under the guidance of my advisor, Rakshit Negi (Ph.D). This paper is submitted in partial fulfillment of the requirement for the Award of Master of Arts Degree in Marketing Management and it has not been previously submitted to any diploma or degree in any college or university. I would like also to confirm that all the sources of materials used in this study are duly acknowledged.

Name: - Elias Seife

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Date:- _____

Statement of Certification

This is to certify that Elias Seife has carried out his research work entitled “Factors Affecting the Effectiveness of Celebrity Endorsed Advertisements The Context of Ethiopian Banking Industry” in partial fulfillment of the requirement for the Award of Master of Arts Degree in Marketing Management at Addis Ababa University College of Business and Economics School of Commerce. This paper is an original work and has not been submitted to any diploma or degree in any college or university.

Rakshit Negi (Ph.D)

May 20, 2016

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Abstract

The purpose of this study is to examine the factors that affect effectiveness of celebrity endorsement advertisements. Trustworthiness, expertise, physical attractiveness and celebrity product match-up has been examined as the potential factors that affected purchase intention to use bank services. The results showed that perceived trustworthiness of the celebrity, perceived expertise of the celebrity and perceived celebrity product congruence/match-up has a positive influence on purchase intention. However, perceived attractiveness of the celebrity has not been found having a significant influence on the purchase intention of consumers purchase intention.

Chapter one

Introduction

This chapter introduces the background of the study, statement of the problem, research questions, objectives, significance and scope of the study.

1.1. Background

Using well-known and admired people to promote products is a widespread phenomenon with a long marketing history. The rationale behind this strategy is that a famous person can draw attention to a brand and shape the perception of a brand by virtue of the inferences that consumer make based on the knowledge they have about the famous person(Keller 2013)

It is one thing to catch someone's attention and another thing to hold it for as long as the speaker desires. There must be something about those leaders and speakers who have been able to achieve this feat. The secret is source credibility which arises from how the public view or perceive a speaker (Umeogu 2012).

Celebrity is an eminent personality who enjoys public recognition in order to persuade the customers (MCracken 1989). The celebrities can

better influence the desires and feelings of target audience than the non-celebrity. (Till1998).

The effect of this practice did not get the attention of the researchers so far in Ethiopian context. Besides when brands invest a huge amount of money on celebrity endorsement there should be some identified factors that can affect the effectiveness of the celebrity endorsed advertisement. This research will investigate the different factors that affect the effectiveness of celebrity endorsed advertisement in the context of Ethiopian banking industry.

After Monetary and Banking proclamation No.83/1994 and the Licensing and Supervision of Banking Business No.84/1994 laid down the legal basis for investment in the banking sector , 16 private banks are operating in Ethiopia. Shortly after the proclamation the first private bank, Awash International Bank was established in 1994. Dashen Bank was established on September 20, 1995 as a share company. Currently around 18 banks are operating in Ethiopia two governments owned and 16 private banks.

1.2. Statement of the problem

One possible explanation for the effectiveness of celebrity endorsers is that consumers tend to believe that major stars are motivated by genuine affection for the product rather than by endorsement fees. Atkin (1983) and Freiden (1984) concluded that celebrities are particularly effective endorsers because they are viewed as highly trustworthy, believable, persuasive, and likeable. Although these results unequivocally support the use of celebrity endorsers, other research suggests that celebrity

endorsements might vary in effectiveness depending on other factors like the “fit” between the celebrity and the advertised product (Till & Shimp 1998).

Although past research documents have a general tendency for consumers to believe in the purity of the motives of celebrity endorsers, it is likely that this tendency varies substantially both across consumers and across endorsers.

In today’s advertisement flooded media celebrity endorsers are considered to have stopping power and used as an effective mechanism to overcome advertisement clutters (Naveed, Farooq & Iqbal 2014). Companies use celebrity endorser because they are considered to have stopping power. (Zafar & Rafique ND). To target the maximum audience companies use people that are largely connected with the public (Naveed, Farooq & Iqbal 2014).

To achieve the above intention at best, celebrity endorsements should satisfy some requirements that the consumers expect. For example, Tripp et al. (1994) showed that celebrities who endorse several products are viewed as less credible endorsers than those who endorse only a single product. Others researchers have emphasized the importance of source attractiveness, and product match-up between the endorser and the endorsed brand as the other important factors in addition to the source credibility perceived trust worthiness and perceived expertise (Zafar & Rafique 2012; Sola 2012; Umeogu 2012).

Additionally, Ethiopian banking industry is witnessed in engaging celebrities to endorse its products. However, the practice of celebrity endorsement did not get the attention of many researchers at least in Ethiopian context. This fact has also been one of the reasons why the researcher becomes motivated to choose the topic area. Hence it is

important to investigate the factors that affect the effectiveness of celebrity endorsed advertisements in the context of Ethiopian banking industry.

1.3. Research Questions

This research tries to answer the following questions

- i. How do celebrity endorsement factors affect the effectiveness of celebrity endorsed advertisements?*
- ii. Which celebrity endorsement factor has the dominant effect on celebrity endorsed advertisements?*

1.4. Objectives

1.4.1. General objective

The general objective of this study is to examine the factors that affect the effectiveness of celebrity endorsed advertisements in the context of Ethiopian banking industry.

1.4.2. Specific objective

The specific objectives of this study include:-

- i. To examine the relationship between celebrity endorsement dimensions and advertisement effectiveness.*
- ii. To identify the dominant celebrity endorsement dimension that significantly affects advertisement effectiveness.*

1.5. Significance of the study

The study has practical significance for commercial banks, advertisement agencies, and marketing practitioners of the sector by identifying the

factors that affect effectiveness of celebrity endorsement. This study also identifies the dominant celebrity endorsement factor on consumer's purchase intention. Hence the marketing practitioners of the industry will be benefited by considering this dominant effect while selecting celebrities to endorse their banks.

1.6. Scope of the study

Methodologically, the study followed a quantitative approach that collects primary data using survey and the geographically the study is delimited to Addis Ababa. The study has covered commercial banks in Ethiopia.

1.7. Operational definition of terms and concepts

- ✓ **Celebrity** is defined as a person who enjoys public recognition from a large share of a certain group of people and uses this recognition on behalf of a consumer good by appearing with it in advertisements (McCracken, 1989).
- ✓ **Celebrity endorsement** is a form of advertising campaign that involves well known persons using their fame to help promote a product or service (Sertoglu & Catli 2014)
- ✓ **Expertise** is the extent to which a communicator is perceived to be a source of valid assertions and it refers to the knowledge, experience or skills possessed by an endorser (Demissie 2015).
- ✓ **Trustworthiness** can be described as the consumer's degree of confidence in, and level of acceptance of the celebrity and what celebrities say about brands (Erdogan 1999).

1.8. Organization of the study

This study is organized in five chapters. The first chapter is the introduction part. This includes background of the study, statement of the problem, research questions, objective of the study, significance of the study, scope of the study, operational definition of terms and concepts, and organization of the study. The second chapter presents the theoretical frame work, empirical review of literatures and conceptual frame work and hypothesis. The third chapter consists of research methodology and design used in the study. It describes the type and design of the research; the population and sampling techniques of the study; data collection instruments and procedures used to collect data and the methods of data analysis. In the fourth chapter data analysis, presentation and interpretation is presented. Finally, the fifth chapter presents summary of the findings, conclusion, recommendation and issues for future research.

Chapter two

Review of Related Literature

This chapter provides an in depth discussion on the existing literature of celebrity endorsement concepts. It starts by defining relevant concepts and terms on the celebrity endorsement area. Then discusses the different theories developed on the subject. Finally empirically reviews the current knowledge on the subject matter and puts the conceptual frame work together with the hypothesis that the researcher tries to test.

2.1. Theoretical Framework

2.1.1. Celebrity endorsement

Practices of using celebrities as spokespeople for commercialized products are continuously favored toward the effort of marketing and positioning. The popularity of celebrity advertising is founded upon advertiser's belief on message credibility by well-known personalities to achieve greater attention, recall and behavioral intention among consumers.(Saeed et al. 2014)

Celebrity endorsement is a form of advertising campaign that involves well known persons using their fame to help promote a product or service (Sertoglu & Catli 2014). Celebrity is defined as a person who enjoys public recognition from a large share of a certain group of people and uses this recognition on behalf of a consumer good by appearing in the advertisements (McCracken 1989). Celebrities are usually known to the public for their accomplishments in areas other than the product endorsed by them (Farhat & Khan 2011). According to Sertoglu and Catli (2014), actors, sport figures and entertainers are being used quite frequently as company spokesmen and product endorsers.(Erdogan 1999)

Marketers can choose among the different forms of celebrity endorsement to promote their products and/or services. Khatri (2006) stated the four commonly used forms of celebrity endorsements as:

Testimonial: refers to the situation where the celebrity personally used a product or service and gives a testimonial citing its benefits and qualities.

Endorsement: is the case where celebrities lend their names to ads for product or services for which they may or may not be the experts.

Actor: here a celebrity may be asked to present a product or service as a part of character enactment rather than personal testimonial or endorsement.

Spokesperson: A celebrity who represents a brand or company over extended periods of time often in print and TV ads as well as in personal appearances is usually called a company's spokesperson.

2.1.2. Potential Pros and Cons of Celebrity Endorsement

There are several pros and cons of the celebrity endorsement strategy (Erdogan 1999) and (Keller 2013). Erdogan (1999) puts increased attention, image polishing, brand introduction and brand repositioning under potential advantage. He further stated that increasing antagonism for consumer awareness and new brand spread have encouraged marketers to use attention creating media stars to assist product marketing. At times a celebrity is hired and new merchandise designed around the person since this strategy can generate huge dividends by giving products instant personality and appeal (Dickenson 1996).

The potential hazards indicated by Keller (2013) are: overshadow the brand, Public controversy, Image change and overexposure, Image change and loss of public recognition, Expensive. It has been set up in various studies that negative information about the celebrity endorser such as sudden variation in image, decline in fame, get into moral depravity, overshadowing of products

and embroilment of celebrity in any controversy (Klebba & Unger 1982; Cooper 1984; Kaikati 1987; Till & Shimp 1995; Erdogan 1999). These studies conclude that the above factors not only influences consumers' perception of the celebrity but also the endorsed product

Keller (2013) pointed out the following four points as a potential pitfalls associated with celebrity endorsement:-

- ❖ First, celebrity endorsers can endorse so many products that they lack any specific product meaning or are seen as opportunistic or insincere.
- ❖ Second, there must be a reasonable match between the celebrity and the product. Many endorsements would seem to fail this test.
- ❖ Third, celebrity endorsers can get in trouble or lose popularity, diminishing their marketing value to the brand, or just fail to live up to expectations.
- ❖ Fourth, many consumers feel celebrities are doing the endorsement only for the money and do not necessarily believe in or even use the brand. Even worse, some feel the fees celebrities earn to appear in commercials add a significant and unnecessary cost to the brand. In reality, celebrities often do not come cheap and can demand literally millions of dollars for endorsements. Celebrities also can be difficult to work with and may not willingly follow the marketing direction of the brand.

2.1.3. Celebrity Endorsement Models

Many scholars have attempted to construct models to explain the celebrity endorsement process. These include the Source Credibility Model, the Source Attractiveness Model, the Product Match-up Hypothesis, the Meanings Transfer Model and Attribution Theory. The following section explains these models(Erdogan 1999)

2.1.3.1. Source Credibility Model

This is the earliest model developed by Hovland and its associates in 1953 (Demissie 2015). The Model proposes that the effectiveness of a message depends on perceived level of expertise and trustworthiness in an endorser (Ohanian 2011; Erdogan 1999). Differentiation

Expertise is the extent to which a communicator is perceived to be a source of valid assertions and it refers to the knowledge, experience or skills possessed by an endorser (Demissie 2015). Expertise can be defined as the extent that advertising endorser holds professionalism which can persuade consumers to buy products (Desarbo & Harshman 1985; Ohanian 1990; Goldsmith et al. 2000). Erdogan (1999) stated that it does not really matter whether an endorser is an expert or not; all that matters is how the target audience perceives the endorser.

Trustworthiness on the other hand is defined as a perceived willingness of the source (celebrity) to make a valid assertion (McCracken 1989; Erdogan 1999; Schlecht 2003; Okorie et al 2012). By virtue of the respect society accords celebrities, and the successes celebrities chalk in their various careers, consumers see them as people who are worthy of trust. Magnin et al. (2008) adds that within the context of celebrity endorsement, trustworthiness can also be defined as the honesty, integrity and believability of a celebrity as perceived by consumers.

From a more pragmatic point of view, trustworthiness can be described as the consumer's degree of confidence in, and level of acceptance of the celebrity and what celebrities say about brands. According to Erdogan (1999), celebrities who are well liked by consumers are seen as trustworthy from the perspective of consumers. Advertisers capitalize on the value of trustworthiness by selecting celebrity endorsers who are regarded as honest, believable and dependable (Doss 2009).

2.1.3.2. Source Attractiveness Model

The source-attractiveness model is first developed as a social psychological research by McGuire in 1985. This model stated that the effectiveness of a message depends on the “familiarity”, “likability”, and “similarity,” of the source to the respondent (Muda, Musa, & Putit 2011).

- ✓ •Similarity - is defined as a perceived resemblance between the source and the receiver of the message,
- ✓ •Familiarity - measures how familiar the message receiver is about the source and mainly familiarity occurs through repeated exposure of the source, and
- ✓ •Likability - is the affection the message receiver has for the source as a result of the source's physical appearance and behavior (Erdogan 1999).

In this model, attractiveness does not mean simply physical attractiveness, but it includes any number of virtuous characteristics that consumers might perceive in the endorser such as, intellectual skills, personality

2.1.3.3. Meaning Transfer Model

McCracken (1989) has proposed a three-stage meaning transfer model. It proposes that an endorser’s credibility and expertise first transfer meaning to his or her public image; the endorser then transfers the meaning to the brand being endorsed. Finally, the meaning is transferred to consumers. Celebrity endorsement enhances the perceived quality of the brand and is correlated with intention-to-use (e.g., Kamins et al. 1989; Ohanian 1991; Chan et al. 2013)

According to this model celebrities develop a personality through the type of roles they play in society as well as how they are portrayed in the media. Collectively, the culturally constituted society then assigns meanings to the

celebrities. When celebrities endorse a product, the meaning developed around a particular celebrity will transfer to a company, brand, or product.

McCracken (1989) states when a consumer identifies with a celebrity, he/she purchases the product in hope of claiming some of these transferred meanings for their own lives. The effectiveness of a celebrity endorser compared with an anonymous endorser lies in bringing a distinguishing feature in terms of personality and lifestyle meanings to an endorsement process. (Abhishek Sahay Arvind 2013)

2.1.3.4. Product Match-Up Hypothesis

The Product Match-Up Hypothesis maintains that messages conveyed by celebrity image and the product message should be congruent for effective advertising (Kamins & Gupta 1994). The determinant of the match between celebrity and brand depends upon the degree of perceived fit between brand and celebrity image. Advertising a product via celebrity who has a relatively high product congruent image leads to greater advertiser and celebrity believability relative to an advertisement with a less congruent product/spokesperson image (Abhishek Sahay Arvind 2013).

2.1.3.5. Attribution Theory in Advertising

Attribution theory (Kelley 1973) in the context of celebrity endorsements suggests that trait inferences may result in consumers' evaluating celebrities with a large number of product endorsements less favorably than those with one or few. According to Kelley (1967, 1973), observers perceive an actor's action to be distinctive' (or unique) when it occurs in the presence of (or is associated with) an entity and does not occur in its absence. For example, a celebrity endorsing a single product (even with multiple viewing) would be perceived as distinctive by the consumers and the consumers might be positively affected. On the other hand, a celebrity appearing in multiple product endorsements would be considered as non- distinctive because the brand

endorsements would generalize across the products with the celebrity being constant.

This non-distinctiveness may in turn result in consumers to introspect/speculate the nature of the spokesperson behind agreeing to such endorsements. As a result, the consumers may tend to create trait inferences about the celebrity (endorsements are for money making) as the reason for the endorsement. Such attributions about the celebrity endorser are in turn expected to affect consumer attitudes and the perceived credibility of the celebrity (Weiner 1985). Recently, researchers have investigated the joint effects of attribution and congruence (Kim & Park 2011) and found that greater effects of celebrity-product congruence were evidenced only when the motive of celebrity endorsement was internally attributed.

2.2. Empirical Review

A number of empirical investigations have examined the effectiveness of using credible spokespersons to enhance the persuasiveness of messages. Studies have measured the process by which a communicator's perceived attractiveness, trust-worthiness, and expertise mediate immediate and delayed attitude change and persuasion (Anderson & Clevenger 1963; Baker & Churchill 1977; Hovland & Weiss 1951; Johnson, Torcivia, & Poprick 1968; Kelman & Hovland 1953; Patzer 1983; Simon, Berkowitz, & Moyer 1970; Whittaker & Meade 1968)

2.2.1. “Perceived trustworthiness” and “perceived expertise” of celebrity

In selecting a celebrity to endorse a product, marketers tend to focus on the credibility of the celebrity. Ohanian (1990) defined endorser credibility as the degree to which they are considered believable. Methaq (2011) mentioned source credibility model developed by Hovland et. al. (1953) consists of expertise and trustworthiness as the characteristics of source, and

attractiveness model which focuses on the character of attractiveness (Samat et al. 2014).

Ahmed and Sallam (2011) found that, attractiveness of endorser had strengthened impact on attitude toward advertising, then expertise, while no effect for endorser trustworthiness on attitude toward advertising. While trustworthiness is significant in all corporate credibility relations with the other variables (i.e. attitude toward advertising, attitude toward brand and purchase intention). (Ahmed & Sallam 2011)

According to Clinton et al. (2008), many studies support that trustworthiness effect the effectiveness of the advertising. Miller and Baseheart (1969) said in their studies that highly trustworthy communicator who deliver opinionated message produced an effective attitude change.

Erdogan (1999) define expertise as to the extent to which a source is perceived to hold valid assertions. Clinton, Gary and David (2008) indicate that source effectiveness is influenced by receiver's perception of the source's expertise. Other than that, the source's perceived level of expertise and the target person's level of agreement will those recommendations varied with the respondents' actions in response to the source's recommendations. He also mentioned that the subjects exposed to a source perceived by highly expert exhibit more agreement with the source's recommendation than by a source with low expertise. The level of perceived celebrity expertise should predict celebrity endorser effectiveness (Desarbo & Harshman 1985; Erdogan 1999; Goldsmith et. al., 2000; Ohanian 1990; Samat et al. 2014).

Information from a credible source can influence the attitude, belief through a process known as Internalization, which arises when receivers accept a source stimulus in terms of their personal attitude (Erdogan 1999). For example, sports celebrities may be a credible source in endorsement of brand and this

credible source can influence beliefs, opinions, attitudes and behavior of the individuals).

Further, if the consumers perceive the celebrity endorser (the credible source) as trustworthy and expert on products then there are possibilities that the potential consumers may move around to real consumers (Friedman & Friedman 1979; Goldsmith et., al. 2000; Lafferty & Goldsmith 1999; Till & Bulser 1998). The trustworthiness can be attained by using the celebrity who is closely associated with the brand (Holloway & Robinson 1995), but in some cases it happens that the celebrities who are endorsing products do not use the products, it is termed as the 'credibility gap', as the lack of credibility aggravated by incidences as mention above of not using the brand, but doing endorsement (Solomon et., al. 1999).

Roy suggested that an overexposed celebrity was not more effective than an underexposed celebrity (Roy 2012).

Also, a congruent celebrity product combination was found to create more favorable outcomes in terms of consumer attitudes. In addition, the perceived credibility of a celebrity diminished with overexposure through endorsements. Roy puts forth a doubt to the marketers who are using overexposed celebrities (and incurring more expenses) in product endorsements (Roy 2012).

Based on the above empirical review of literatures on celebrity credibility dimensions trustworthiness and expertise the researcher proposes the below hypothesis.

H1): *-Perceived Trustworthiness of the celebrity has a positive influence on consumers purchase intention*

H2): *-Perceived Expertise of the celebrity has a positive influence on consumers purchase intention*

2.2.2. “Perceived Physical attractiveness” of celebrity

In addition to trustworthiness and expertise, the attractiveness of the communication source can enhance the effect of the message conveyed. Attractiveness is understood to depend upon whether the source is: ‘classy,’ ‘beautiful,’ ‘elegant,’ ‘sexy’ and ‘attractive’ (Ohanian 1990). Goldsmith et., al. (2000) argued that attractiveness was not applicable to organizational credibility. Individuals who display these traits might be used in business advertising, however, attractiveness in this sense and its value in guiding the selection of celebrity endorsers to appeal to business customers is problematic.

These traits are essentially physical and so attractiveness must be viewed in a broader sense in terms of: ‘similarity’ (resemblance between the source and receiver of the message), ‘familiarity’ (knowledge of the source via exposure) and ‘likeability’ (affection for source as a result of virtuous characteristics perceived in that source) (Erdogan 1999; McGuire 1985). When interpreted in this sense, B2B attractiveness could apply to the character of either an individual or an organization.

Methaq (2011) defined attractiveness as the physical appearance and/or the perceived personality of the source. Celebrity endorsed advertisement can catch consumers' attention to a product (Ohanian 1990; Goldsmith et., al. 2000). In today's advertisement either traditional or internet advertisement, advertisers always choose celebrities who are physically attractive. Studied by Bahram and Zahra (2010) shows attractiveness causes to increase attitude toward advertisements.

H3): *-Perceived Attractiveness of the celebrity has a positive influence on consumers purchase intention*

2.2.3. Perceived “Celebrity product match up”

Another factor that positively or negatively affects celebrity endorsements is the “match up” or a fitting relationship between the spokes- person and the product. Celebrity status will have little or no role to play if a vegetarian celebrity is used to advertise beef products; non-smokers to advertise cigarettes; or to use a dark complexioned celebrity to advertise a toning or lightening cream. Contextualizing this, Hill and Busler 1998 in Schlecht (2003) explains that the match up hypothesis specifically suggest that the effectiveness depends on the existence of a “fit” between the celebrity spokesperson and endorsed brand.

Demissie found that product/celebrity match and expertise have the highest influence on consumers’ attitude towards the brands while physical attractiveness and trustworthiness have the highest influence on purchase intention (Demissie 2015).

H4): - *Perceived Product/Celebrity Match has a positive influence on consumers purchase intention*

2.3. Conceptual Framework

Based on the literature review the researcher proposes the following conceptual framework

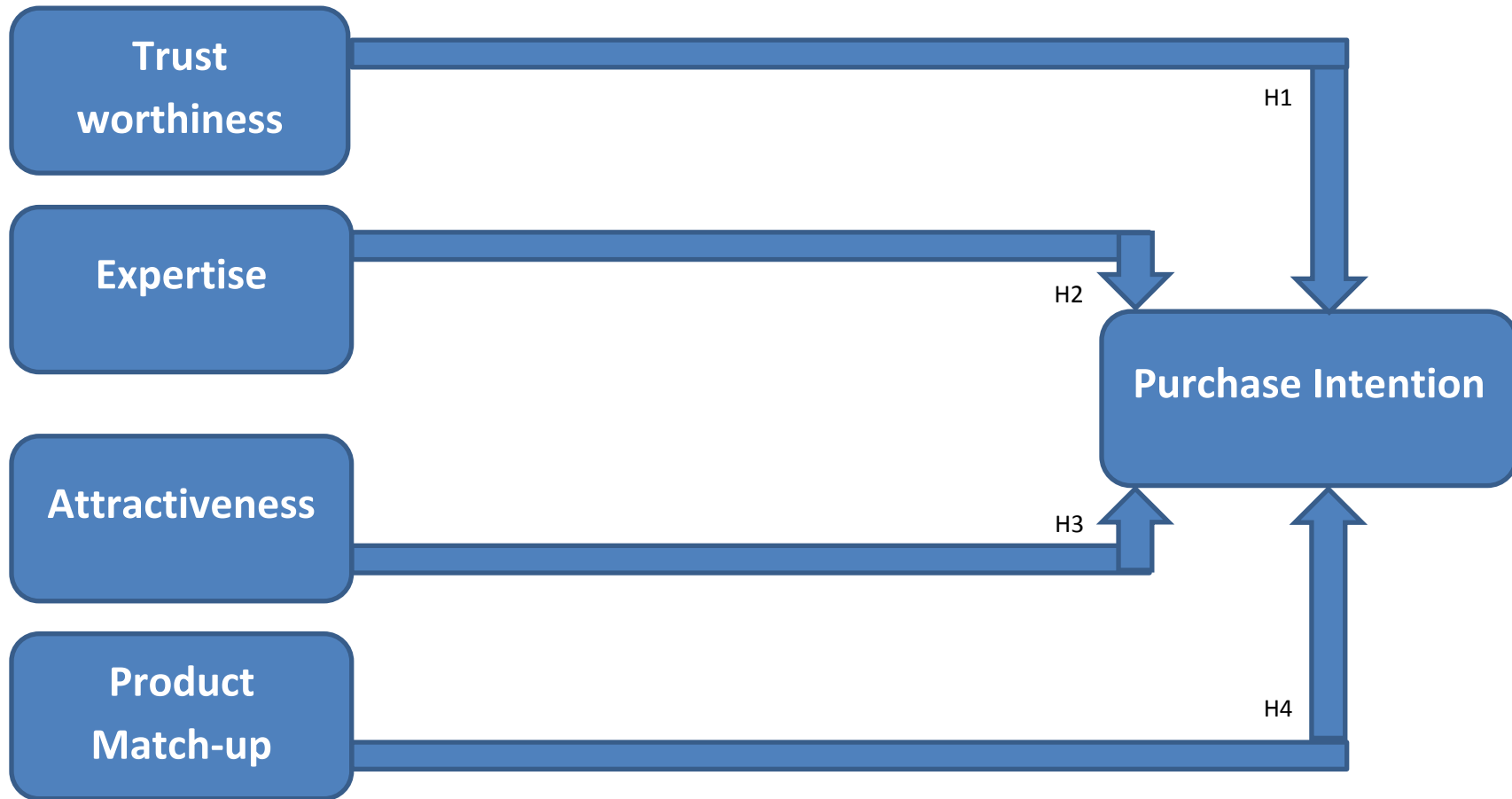


Figure 1 conceptual frame work

Hypothesis

H1): *-Perceived Trustworthiness of the celebrity has a positive influence on consumers purchase intention*

H2): *-Perceived Expertise of the celebrity has a positive influence on consumers purchase intention*

H3): *-Perceived Attractiveness of the celebrity has a positive influence on consumers purchase intention*

H4): *- Perceived Product/Celebrity Match has a positive influence on consumers purchase intention*

Chapter Three

Methodology

This chapter discusses the research methodology used for conducting this research. The research approach, research method, population and sample of the study, the type of data to collect and instrument to use, methods of data analysis are specified. Finally, ethical issues related to the study are explained and justified.

3.1. Research Approach

Research can be classified in to two based on its approach. These are qualitative research and quantitative research. Qualitative research involves studies that do not attempt to quantify their results through statistical summary or analysis. It seeks to describe various aspects about behavior and other factors in the social sciences and humanities. In this kinds of research data are often in the form of descriptions, not numbers. It typically involves in-depth interviews, group discussions, and observations without formal measurement.

Quantitative research is the systematic and scientific investigation of quantitative properties and phenomena and relationships. The objective of quantitative research is to develop and employ mathematical models, theories and hypotheses pertaining to natural phenomena. It usually starts

with a theory or a general statement proposing a general relationship between variables. Quantitative researchers favor methods such as surveys and experiments, and will attempt to test hypotheses or statements with a view to infer from the particular to the general.

Therefore the researcher chose quantitative research to identify what factors of celebrity endorsement affects the effectiveness of the endorsed advertisements and investigate if celebrity exposure (over exposed and under exposed) play a moderating role on the effectiveness of the endorsed advertisements.

3.2. Research Method

From the viewpoint of objectives, a research method can be divided into four. These are descriptive, correlational, explanatory and exploratory. Descriptive research attempts to describe systematically a situation, problem, phenomenon, service or programme, or provides information about , say, living condition of a community, or describes attitudes towards an issue. Correlational research attempts to discover or establish the existence of a relationship/ interdependence between two or more aspects of a situation. Explanatory research attempts to clarify why and how there is a relationship between two or more aspects of a situation or phenomenon. Exploratory research is undertaken to explore an area where little is known. In practice most studies are a combination of the first three categories investigates the possibilities of undertaking a particular research study.

In studying the factors that determine the effectiveness of celebrity endorsement advertisements, the study will see the relationship between source credibility, attractiveness and product match up factors and consumers purchase intention. In addition the study will investigate if celebrity exposure (over/under exposed) has a varying effect on the relationship between perceived trustworthiness and consumers purchase intention. Hence the study is mainly an explanatory research.

3.3. Population and Sampling Techniques

The target populations for the study were consumers of the Ethiopian banking industry in Addis Ababa. The target population of the study can be considered as infinite population since there are customers of banks that utilize banking services without opening accounts (i.e. without registering to the bank's customer database).

Thus, the following sampling formula for infinite population was used to come up with the sample size (Isreal 2013).

$$n_0 = \frac{Z^2 pq}{e^2}$$

Where, n_0 -Sample size

Z - z value at specified confidence interval

p - Estimated proportion of an attribute present in the population

e – Desired level of precision

With 95% confidence interval, 5% level of precision, and a proportion of 50%, the sample size for this study is determined to be 384. The 50% proportion is the maximum variability in a population, which is often used in determining a more conservative sample size (Isreal 2013). Therefore, sample size of the study becomes 384.

The research used probabilistic sampling method to select 8 main branches among the commercial banks operating in Ethiopia. Then customers of the selected branch will be intercepted randomly until the sample size is reached.

3.4. Data Collection Instruments

The study depends on the primary data collected through self-administered questionnaires survey. Questionnaires are applied usually for descriptive, which identify and describe the variability in different phenomena or explanatory research, which examine and explain relationships between variables (Saunders, Lewis & Thornhill, 2009).

Questionnaire with the five point Likert's scale format and closed-ended items format are prepared to gather data from the respondent's (Rashid, et al, 2002). The questionnaire was guided by works of other researchers in the field of celebrity endorsement (Budhiraja, 2012; Erdogan & Baker, 2000; Jain, 2011).

According to Spector (2004), the Likert Scale is a popular device for measuring people’s perceptions, attitudes, beliefs, emotions and personality traits.

The questionnaires prepared in line with the objectives of the study are organized in three sections. The first section was designed to obtain the demographic information of the respondents. The second section inquired how respondents perceive the celebrity endorser on the four dimensions of “trustworthiness”, “expertise”, “physical attractive” and “celebrity product match-up”. Questions related to customers’ intention to purchase using items “inquire about”, “consider purchasing” and “actually purchase” are included in the third section of the questionnaire.

Dimensions	Items	source
Trust worthiness	5	Ohanian (1990)
Expertise	5	Ohanian (1990)
Attractiveness	5	Ohanian (1990)
Product match up	4	Chavda and Sethi (2013)
Purchase intention	3	Ohanian (1990)

Table 1 sources for adopted variable measurement items

3.5. Validity & Reliability

Validity and reliability are the two main issues that one should consider in developing data collection instruments.

i. Validity

Validity: - is defined as the extent to which a measurement represents characteristics that exist in the phenomenon under investigation (Malhotra & Birks 2007). The scales that are used for this study are valid scales adopted from different previous researches, i.e. the three dimensions of “expertise”, “trustworthiness”, and “physical attractive” from Ohanian (1990) and “the product/celebrity match” from different studies conducted on celebrity endorsement (Choi & Rifon 2012; Zafar & Rafique 2012; Chavda & Sethi 2013). Scales used to measure customers’ intention to purchase “inquire about”, “consider purchasing”, and “actually purchase” are adopted from Ohanian (1990).

ii. Reliability

Reliability: - is the extent to which a measurement reproduces consistent results if the process of measurement were to be repeated (Malhotra & Birks 2007). In order to check the internal consistency of the instrument, a pilot study was conducted on 30 respondents and reliability test was done using Cronbach-Alpha.. Cronbach-alpha is widely used in educational research when instrument for gathering data have items that are scored on a range of values,

i.e. different items have different scoring points or attitude scales in which the item responses are in continuum (Oluwatayo 2012). This coefficient varies from 0 to 1, and a value of 0.6 or less generally indicates unsatisfactory level of internal consistency (Malhotra & Birks, 2007). Based on the pilot survey the result for cronbach alpha was found to be more than 0.6

3.6. Procedures of Data Collection

Since the samples of the study are bank customers in Addis Ababa with different educational background, it is found necessary to translate the questionnaire into Amharic language before distributing the questionnaire.

Eight banks were selected randomly through lottery. The main branches of these banks was selected to administer the questionnaires and the 384 questionnaires were distributed among the eight banks equally, 48 questionnaires for each. While collecting the data, the data collector enters to the branch and gets the permission to administer the questionnaires, then starts by giving two questioners to two customers randomly. Then continues the process by giving two questioners for another two customers that enters to the branch every two minutes until all the 48 questionnaires per branch was administered.

3.7. Method of Data Analysis

With regard to data analysis, the study utilizes both descriptive statistical analysis and regression analysis. Descriptive statistics will be used mainly to

organize and summarize the demographic data of the respondent as well as their overall perception towards the celebrity advertisement dimensions and purchase intention. .

On the other hand, regression analysis will be used to measure the effect of celebrity endorsement as measured by "expertise", "trustworthiness", "physical attractiveness", and "celebrity/product congruence or match" on consumers' purchase intention. The attributes "expertise", "trustworthiness", "physical attractiveness", and "celebrity/product congruence or match" are the independent variables while "consumers purchase intention" is the dependent variable. Multiple regression has been used to analyze the relationship

3.8. Ethical Issues

In the context of research, ethics is defined as the appropriateness of the researcher's behavior in relation to the rights of the participants or subjects of the research work (Saunders, Lewis & Thornhill 2009). This study was governed by the general rules of research ethics in such a way that respondents are requested to provide information on voluntary basis, there will be prior communication about the purpose of the study, and confidentiality of the information will be guaranteed. Moreover, the researcher, to the best of his level has abided by the rules and regulations of the University and conducted the study on the basis of objective judgment.

Chapter Four

Results and discussions

In this chapter, the data collected through survey is analyzed using statistical tool of SPSS Version 22. First, the survey response rate and the reliability of the scales used are discussed followed by discussion on the respondent's profile, their perception on celebrity endorsement and their purchase intention using descriptive statistical tools. Finally, the result of the multiple regression analysis is presented.

4.1. Sample and response rate

After distributing 385 questionnaires the respondents found in the headquarters of randomly selected commercial banks, a total of 343 answered questionnaires were retrieved, which is 89% of the total distributed questionnaires. After checking the retrieved questionnaires, the 321 questionnaires were valid for statistical analysis. Ultimately, 79% of the total questionnaires distributed entered the analysis.

4.2. Descriptive statistics

4.2.1. Respondents' profile

In this section, the basic demographic profile of the respondents such as age, sex, education level and occupation are presented.

i. Age of respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 18-30	96	29.9	29.9	29.9
31-40	132	41.1	41.1	71.0
41 -50	63	19.6	19.6	90.7
51 and above	30	9.3	9.3	100.0
Total	321	100.0	100.0	

Table 2 Descriptive statistics respondents' age

Source-Survey results (May 2016)

Out of the total 321, 132 (41.1%) of the respondents fall under the age category 31-40 years followed by those in the category 18-30 which are 29.9%. The rest fall in the age category of 41-50 and 51 and above age groups with 19.6 % and 9.3% respectively. Since people under the age category of 18-30 and 31-40 follow the media very closely, the increasing number respondents from these age categories will have positive effect to the result of the study. (See Table 2)

ii. Sex of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	186	57.9	57.9	57.9
	Female	135	42.1	42.1	100.0
	Total	321	100.0	100.0	

Table 3 Descriptive statistics respondents' sex
Source-Survey results (May 2016)

On the other hand, looking at the distribution of the respondents in terms of gender, male respondents (57.9%) are higher than the female respondents (42.1%). However, it can be said that both male and female respondents are fairly represented in the study.(see Table 3)

iii. Educational Status of respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below high school	60	18.7	18.7	18.7
	High school	60	18.7	18.7	37.4
	Diploma	81	25.2	25.2	62.6
	First degree	120	37.4	37.4	100.0
	Total	321	100.0	100.0	

Table 4 Descriptive statistics respondents' educational status
Source-Survey results (May 2016)

In terms of education, respondents with first degree and diploma have the highest share comprising 37.4% and 25.2%, respectively. Those with secondary and primary level of education constitute 18.7 % each. In there is no respondent that has an education more than first degree.(see Table 4)

iv. Occupation of respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Student	40	12.5	12.5	12.5
Employee	120	37.4	37.4	49.8
Business owner	101	31.5	31.5	81.3
Other	60	18.7	18.7	100.0
Total	321	100.0	100.0	

Table 5 Table 6 Descriptive statistics respondents' occupation
Source-Survey results (May 2016)

With respect to occupation, majority of the respondents are employees covering 37.4% followed by business owners (31.5%). 40 of the respondents are students constituting 12.5% while the remaining are categorized as others such as unemployed, retired and house wives. The higher number of the employees and business owners in the survey clearly reflect the nature of banks' customers in a sense that it is these customer groups who frequently visit bank branches for deposits and other banking services (Table 5).

4.2.2. Descriptive analysis

i. Perception on Celebrity Attributes

The mean scores have been computed for all the four celebrity attributes adopted from Source Credibility Model dimensions ("trustworthiness", "expertise") , the Source Attractiveness Model dimension ("Physical attractiveness"), and the Product Match-up Hypothesis dimension ("product/celebrity match"). Respondents were asked to rate their perception on a five-point Likert type scale ranging from 1 being strongly disagree to 5 strongly agree for perceived celebrity attributes.

The first celebrity attribute is perceived trust worthiness which is further divided into five attributes(dependable, honest, reliable, sincere and trustworthy). The mean scores have been computed for all the five attributes of perceived trustworthiness. The result is presented in Table 7. The mean scores of perceived trustworthiness for all the five attributes range from 3.22, for the attribute untrustworthy3.41for the attribute reliable. Overall, trust worthiness has a mean score of 3.34 which is above average.

Trust worthiness Dimensions	N	Mean	Std. Deviation
Trustworthiness of celebrity. (Undependable Vs Dependable)	321	3.37	.701
Trustworthiness of celebrity. (Dishonest Vs Honest)	321	3.41	.894
Trustworthiness of celebrity. (Unreliable Vs Reliable)	321	3.35	.924
Trustworthiness of celebrity. (Insincere Vs Sincere)	321	3.35	.900
Trustworthiness of celebrity. (Untrustworthy Vs Trustworthy)	321	3.22	.701
Trustworthiness	321	3.3421	.68993
Valid N (listwise)	321		

Table 7 Descriptive analysis trustworthiness items
Source-Survey results (May 2016)

The second attribute is perceived expertise of the celebrity which again is further divided into five attributes (expert, experienced, knowledgeable, qualified and skilled). The mean scores have been computed for all the five attributes of perceived celebrity expertise. The result is presented in Table 8. The mean scores of for all the five attributes range from 3.14, for the attribute experienced and skilled to 3.39 for attribute knowledgeable. Overall, perceived celebrity expertise has a mean score of 3.23 which is above average.

Expertise Dimensions	N	Mean	Std. Deviation
Expertise of Celebrity (Not an expert Vs Expert)	321	3.19	.873
Expertise of Celebrity (In experienced Vs Experienced)	321	3.14	.829
Expertise of Celebrity (Unknowledgeable Vs Knowledgeable)	321	3.39	.978
Expertise of Celebrity (Unqualified Vs Qualified)	321	3.29	1.171
Expertise of Celebrity . (Unskilled Vs Skilled)	321	3.14	1.096
Expertise	321	3.2305	.88498
Valid N (listwise)	321		

Table 8 Descriptive analysis Expertise items
Source-Survey results (May 2016)

The third variable is celebrity’s perceived physical attractiveness which is further divided into five attributes (attractive, classy, beautiful, elegant and sexy). The mean scores have been computed for all the five attributes of perceived celebrity physical attractiveness. The result is presented in Table 9. The mean scores of for all the five

attributes range from 3.3, for the attribute classy to 3.39 for attribute sexy. Overall, perceived celebrity expertise has a mean score of 3.34 which is above average.

Physical Attractiveness Dimensions	N	Mean	Std. Deviation
Physical attractiveness of celebrity. (Unattractive Vs Attractive)	321	3.59	1.392
Physical attractiveness of celebrity. (Not classy Vs Classy)	321	3.03	1.305
Physical attractiveness of celebrity. (Ugly Vs Beautiful)	321	3.12	1.135
physical attractiveness of celebrity. (Plain Vs Elegant)	321	3.37	1.379
physical attractiveness of celebrity. (Not sexy Vs Sexy)	321	3.60	1.158
Attractiveness	321	3.3421	1.10759
Valid N (listwise)	321		

Table 9 Descriptive analysis Physical attractiveness items
Source-Survey results (May 2016)

The fourth variable is fit with the product which is further divided into four attributes (compatible, good fit, relevant, and good match). The mean scores have been computed for all the four attributes. The result is presented in Table 10. The mean score for all the five attributes range from 2.87 for the attribute good match to 3.0 for the other attributes. Overall, celebrity fit with the product match up has a mean score of 2.97 which is below average.

Celebrity product congruence or match up Dimensions	N	Mean	Std. Deviation
congruence or Fit of celebrity. (Not Compatible Vs Compatible)	321	3.00	.868
congruence or Fit of celebrity. (Bad fit Vs Good fit)	321	3.00	.868
congruence or Fit of celebrity. (Irrelevant Vs Relevant)	321	3.00	.868
congruence or Fit of celebrity. (Bad match Vs Good match)	321	2.87	1.167
Congruence	321	2.9657	.92807
Valid N (listwise)	321		

Table 10 Descriptive analysis celebrity product match up items
Source-Survey results (May 2016)

ii. Purchase Intention

Purchase intention of the respondents from the dependent variable side were captured using three items “inquire about”, “consider purchasing”, and “definitely purchase” with five point Likert scale.

The result of the survey revealed that the mean scores for all the three attributes range from 2.3.09 for definitely purchase to 3.69 for inquire about and consider purchasing. Overall, celebrity fit with the product match up has a mean score of 3.49 which is above average. The mean score of “definitely purchase” which shows strong intention is lower when compared with mean score of the items “inquire about” and “consider purchase” The result is presented in Table 11.

Purchase intention dimensions	N	Mean	Std. Deviation
Purchase intention-I will inquire about. endorsed bank brand	321	3.69	1.039
Purchase intention-I will consider purchasing/using celebrity. endorsed bank brand	321	3.69	1.039
Purchase intention-I will actually purchase/use celebrity. endorsed bank brand	321	3.09	1.054
P Purchase Intention	321	3.4860	1.01648
Valid N (listwise)	321		

Table 11 Descriptive analysis Purchase intention items
Source-Survey results (May 2016)

4.3. Reliability test

In general, reliability is used to test the internal consistency among the variables or items through a summated scale (Hair et al., 1996). Cronbach's Alpha is used to measure how well a set of items (or variables) measure a single uni-dimensional latent construct. (Malhotra, 2007). Cronbach's Alpha is low when data have a multi-dimensional structure. Malhotra, (2007) suggests that an alpha of 0.60 or greater should be considered adequate to develop a new questionnaire. Therefore, a low coefficient alpha indicates the sample of items perform poorly in capturing the construct motivating the measure. Conversely, a large coefficient alpha implies that the k-items test correlates with the true scores closely Malhotra, (2007).

Accordingly, the cronbach alpha value for all the scales was found to be greater than 0.6. As can be seen from Table 12 for all the scales the value for cronbach alpha is closer to one.

Variable	Cronbach-Alpha	No. of items
Physical Attractiveness	0.983	5
Expertise	0.932	5
Trustworthiness	0.888	5
Product/Celebrity Match	0.983	4
Purchase Intention	0.973	3

Table 12 Reliability test
Source-Survey results (May 2016)

4.4. Correlation

Pearson correlation test was conducted to know the degree of relationship between the independent variables, which are perceived trustworthiness, perceived expertise, perceived physical attractiveness and perceived product celebrity much/fit and the dependent variable Purchase intention. As it is indicated in the table the independent variables, which are perceived trustworthiness, perceived expertise, perceived physical attractiveness and perceived product celebrity much/fit have a significant positive correlation with the dependent variable purchase intention with correlation coefficient 0.694, 0.621, 0.340 and 0.349 respectively. The results of the correlation between these variables are shown in Table 13.

Correlations

		Trustworthine ss	Expertise	Attractiveness	Congruence	P_Intention
Trustworthiness	Pearson Correlation	1	.322**	.143*	.331**	.694**
	Sig. (2-tailed)		.000	.010	.000	.000
	N	321	321	321	321	321
Expertise	Pearson Correlation		1	.578**	.162**	.621**
	Sig. (2-tailed)			.000	.004	.000
	N		321	321	321	321
Attractiveness	Pearson Correlation			1	.149**	.340**
	Sig. (2-tailed)				.007	.000
	N			321	321	321
Congruence	Pearson Correlation				1	.349**
	Sig. (2-tailed)					.000
	N				321	321
P_Intention	Pearson Correlation					1
	Sig. (2-tailed)					

N				321
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** . Correlation is significant at the 0.01 level (2-tailed).

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

Table 13 Correlation matrix
Source-Survey results (May 2016)

4.5. Assumption test

Meeting the assumptions of regression analysis is necessary to confirm that the obtained data truly represented the sample and that researcher has obtained the best results (Hair et al., 1998). Two assumptions for regression analysis used in this study will be discussed for the individual variables: multi-collinearity and linearity (Hair et al., 1998). In the following paragraphs, each assumption is explained.

4.5.1. Multi-Colliniarity

Multicollinearity refers to the situation in which the independent/predictor variables are highly correlated. When independent variables are multicollinear, there is “overlap” or sharing of predictive power (Dillon, 1993). This may lead to the paradoxical effect, whereby the regression model fits the data well, but none of the predictor variables has a significant impact in predicting the dependent variable (Robert, 2006). This is because when the predictor variables are highly correlated, they share essentially the same information. Thus, together, they may explain a great deal of the dependent variable, but may not individually contribute significantly to the model (Robert, 2006). Thus, the impact of multicollinearity is to reduce any individual independent variable’s predictive power by the extent to which it is associated with the other independent variables. That is, none of the predictor

variables may contribute uniquely and significantly to the prediction model after the others are included.

The multicollinearity in this study was checked using the Tolerance and VIF value. As it is showed in the Table 14 all independent variables have a Tolerance value greater than 0.2 and a VIF value less than 10. The VIF, which stands for variance inflation factor, is computed as “1/tolerance,” and it is suggested that predictor variables whose VIF values are greater than 10 may merit further investigation (Robert, 2006).

Coefficients		
Model	Collinearity Statistics	
	Tolerance	VIF
1		
	Trustworthiness	.811
	Expertise	.607
	Congruence	.880
	Attractiveness	.658

a. Dependent Variable: P_Intention

Table 14 Multicollinearity test
Source-Survey results (May 2016)

4.5.2. Linearity

The linearity of the relationship between the dependent and independent variable represented the degree to which the change in the dependent variable is associated with the independent variable (Hair et al., 1998). In a simple sense, linear models predict values falling in a straight line by having a constant unit change (slope) of the dependent variable for a constant unit change of the independent variable (Hair et al., 1998). Conventional regression analysis will underestimate the relationship when nonlinear relationships are present, i.e., R^2 underestimates the variance explained overall and the betas underestimate the importance of the variables involved in the non-linear relationship (Malhotra et al. 2007). Substantial violation of linearity implies that regression results may be more or less unusable (Malhotra et al. 2007).

The scatter plot of standardized residuals versus the fitted values (see, Appendix A) for the regression models were visually inspected. The plots did not reveal any systematic pattern, thus providing support for the specified linear relationship, as suggested by (Malhotra et al. 2007).

4.5.3. Normality

In terms of this assumption, a check for normality of the error term is conducted by a visual examination of the normal probability plots of the residuals (Malhotra et al., 2007). Malhotra et al. (2007) propose that normal probability plots are often conducted as an informal means of assessing the non-normality of a set of data. According to Hair et al. (1998), the plots are different from residuals plots in that the standardized residuals are compared with the normal distribution. In general, the

normal distribution makes a straight diagonal line, and the plotted residuals are compared with the diagonal (Hair et al., 1998). If a distribution is normal, the residual line will closely follow the diagonal (Hair et al., 1998). Malhotra et al. (2007) explain that the “correlation coefficient” will be near unity if the data fall nearly on a straight line. The “correlation coefficient” will become smaller if the plot is curved. The normality probability plots were plotted to assess normality (Appendix A). The P-P plots were approximately a straight line instead of a curve. Accordingly, the residuals were deemed to have a reasonably normal distribution, as suggested by Hair et al. (1998).

4.6. Regression Analysis

In order to indicate how well a set of independent variables are able to predict the dependent variable and to analyze the conceptual framework, in this study four independent variables and one independent variable were entered to the multiple regression equation. This section reports the result of multiple regressions. Linear regression estimates the coefficient of the linear equation, involving one or more independent variables that best predict the value of the dependent variable (Robert, 2006). The multiple regression equation is:

$$\mathbf{\gamma'} = \mathbf{A} + \mathbf{B}_1\mathbf{X}_1 + \mathbf{B}_2\mathbf{X}_2 + \dots \dots \dots \mathbf{B}_n\mathbf{X}_n$$

Where $\mathbf{\gamma'}$ =the predicted dependent variable

A= constant

B=unstandardized regression coefficient

X=value of the predicted coefficient

Thus, in this study the following multiple equations were used to predict the level of preference from the five independent variables:

$$PI = A + B_1 (\text{trustworthiness}) + B_2 (\text{Expertise}) + B_4 (\text{product celebrity match})$$

Where: PI=purchase intention

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.818 ^a	.669	.664	.58892

a. Predictors: (Constant), Attractiveness, Trustworthiness, Congruence, Expertise

b. Dependent Variable: P_Intention

Table 15 Model summary purchase intention dimensions
Source-Survey results (May 2016)

The model in Table 15 shows how much of the variance in the measurement of celebrity endorsed advertisement effectiveness (purchase Intention) is explained by the model. Based on this, model coefficient of determination or R² obtained indicates that 66.9% of the variation in the measurement (purchase intention) function can be explained by perceived trustworthiness, perceived expertise, perceived physical attractiveness and perceived celebrity product match up. The remaining 33.1% of variations on purchase intention are explained by other variables out of this model or variables which are not incorporated in this study.

Among the four independent variables, multiple regression analysis revealed that trustworthiness, expertise, and product match up were a significant predictor of

consumers bank purchase intention by the p-value($p < 0.05$), while the influence of perceived celebrity attractiveness ($p = 0.904$) on purchase intention was not found significant.

The nature of relationship was positive for trust worthiness ($\beta = 0.514$), Expertise ($\beta = 0.441$) and congruence ($\beta = 0.107$) and on the other hand perceived physical attractiveness display negative influence on purchase intention with ($\beta = - 0.027$).

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
	B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1 (Constant)	-1.029	.190		-5.428	.000	-1.403	-.656		
Trustworthiness	.762	.053	.517	14.387	.000	.658	.866	.811	1.232
Expertise	.506	.048	.441	10.601	.000	.412	.600	.607	1.647
Congruence	.117	.038	.107	3.107	.002	.043	.192	.880	1.136
Attractiveness	-.004	.037	-.005	-.121	.904	-.077	.068	.658	1.519

a. Dependent Variable: P_Intention

Table 16 Regression coefficients
Source-Survey results (May 2016)

As can be seen from the above table, the celebrity effectiveness measures have positive effect on consumers' purchase intention, among which Trustworthiness has the highest effect with coefficient 0.763, followed by Expertise (0.503), and Product/celebrity match (0.117). However, Attractiveness (0.001) has been found to be insignificant at 95% confidence interval.

4.7. Hypothesis Testing and Discussion of Results

On this section the major findings of the study is discussed and point out their implications.

H1): *-Perceived Trustworthiness of the celebrity has a positive influence on consumers purchase intention-Supported*

H2): *-Perceived Expertise of the celebrity has a positive influence on consumers purchase intention-Supported*

In this study both perceived trustworthiness and perceived expertise of the celebrity have statistically significant positive influence on consumer's purchase intention of the banking industry.

Moreover this result is in consistent with previous studies done by other researchers (Anderson & Clevenger 1963; Baker & Churchill 1977; Hovland & Weiss 1951; Johnson, Torcivia, & Poprick 1968; Kelman & Hovland 1953; Patzer 1983; Simon, Berkowitz, & Moyer 1970; Whittaker & Meade 1968).

In selecting a celebrity to endorse a product, marketers need to focus on the credibility (perceived trustworthiness and perceived expertise) of the celebrity. In addition priority should be given for the two attributes in choosing celebrity to

endorse a brand as these two attributes have a higher influence on customers purchase intention.

H3): *-Perceived Attractiveness of the celebrity has a positive influence on consumers purchase intention-Not Supported*

Perceived attractiveness of the celebrity has statistically insignificant positive influence on consumers purchase intention. The result of this study however did not support this hypothesis. In addition this result is in contradiction with previous research works. Studies done by Bahram and Zahra (2010), Ohanian (1990), Goldsmith et., al. (2000) shows attractiveness causes to increase both attitude toward advertisements and purchase intention of consumers.

One possible explanation for this inconsistency between the result of the this study and that of previous researchers findings could be overshadowing of products and embroilment of celebrity. A potential hazards for celebrity endorsement indicated by Keller (2013).

H4): *- Perceived Product/Celebrity Match has a positive influence on consumers purchase intention. -Supported.*

Perceived Product/Celebrity Match has positive effect on consumers' intention to use the banks services having a coefficient of 0.117. Since the t-significance test indicates the significance of the coefficient, the hypothesis H4 is accepted.

The results of the hypothesis testing are summarized in Table 17.

Hypothesis	Independent variables	Hypothesized sing and significance	Result from multiple regression	Reason
H1	Trustworthiness	Positive and significant effect on purchase intention	Supported	$B=0.518$ $P<0.05$
H2	Expertise	Positive and significant effect on purchase intention	Supported	$B=0.438$ $P<0.05$
H3	Physical Attractiveness	Positive and significant effect on purchase intention	Not supported	$B=0.001$ $P >0.05$
H4	Match-up	Positive and significant effect on purchase intention	Supported	$B=0.107$ $P<0.05$

Table 17 Hypotheis testing result summury

Source: Survey result (May, 2015)

Chapter Five

Results and discussions

This chapter summarizes the findings of the study together with possible recommendations. It also discusses the limitation of this study and proposes further area of research.

5.1. Summary of findings

The attributes of physical attractiveness, trustworthiness, and product/celebrity match have positive effect on the consumers' intention to use the services of the banks. Among the attributes, trustworthiness and expertise have the highest influence on consumers' purchase intention. Celebrity physical attractiveness however was not found to have a significant effect on consumers' purchase intention of bank services.

5.2. Conclusion

The increase in competition for consumer attention has forced marketers to use attention creating personalities (or celebrities) in product promotion marketing. Over the years, the trend of using celebrities for product promotion has increased in Ethiopian market. This study was conducted with the aim of examining factors affecting effectiveness of celebrity endorsed advertisements.

Among the different models of celebrity endorsement, this study makes use of the Ohanian's source credibility model and Product/celebrity match hypothesis to formulate the conceptual framework. These two models have been used by many studies conducted in different cultural context. The survey was conducted on bank consumers found in Addis Ababa. Multiple regression analysis was used to examine the effect of celebrity endorsement. The result of the survey reveals that celebrity endorsement, as measured by perceived trustworthiness of the celebrity, expertise of the celebrity and congruence/fit , positively and significantly affect consumers' intention to use the services of the banks. However, both trustworthiness and expertise have the highest influence on consumers purchase intention.

In this study both perceived trustworthiness and perceived expertise of the celebrity have statistically significant positive influence on consumer's purchase intention of the banking industry.

In selecting a celebrity to endorse a product, marketers need to focus on the credibility (perceived trustworthiness and perceived expertise) of the celebrity. In addition priority should be given for the two attributes in choosing celebrity to endorse a brand as these two attributes have a higher influence on customers purchase intention.

Perceived Product/Celebrity Match has also positive effect on consumers' intention to use the banks services.

Perceived attractiveness of the celebrity has statistically insignificant positive influence on consumers purchase intention. The result of this study however did not support this hypothesis.

Celebrities may overshadow the product. As the celebrity perceived to be physically attractive consumer may focus only on the celebrity rather than what he or she is endorsing. Hence marketers need to be conscious about this dimension in selecting the celebrity.

5.3. Recommendation

Celebrity endorsements (measured by the attributes of trustworthiness, expertise, and product/celebrity match) have a significant positive influence on the consumers purchase intention. The implication is that marketers in the industry should consider the use of celebrities in their promotional endeavors so as to grab consumers' attention for their advertisements.

However, great care should be taken while selecting the celebrities to promote the products and services. As Perceived trustworthiness and expertise attributes of the celebrity have the highest influence on purchase intention

5.4. Limitations and Suggestions for future research

The study focused only on celebrity endorsement of banking industry, so the result of the study is limited to the industry, it may not apply for other sector.

- This study examined the factors affecting effectiveness of celebrity endorsed advertisements only on the banking industry. So the effect of celebrity endorsement on other sectors of the economy could be studied.

- Similar studies could also be done by incorporating the influence of culture on celebrity endorsed advertisement effectiveness.
- Other area of investigation could be the study of consumers' attitude on multiple endorsements and their effect on purchase intention. This is because it has become customary to notice one celebrity endorsing different products.

Annex

Appendix A SPSS outputs Frequencies

		Notes
Output Created		26-MAY-2016 16:10:09
Comments		
Input	Data	C:\Users\Azsha\Desktop\moderater Celebrity endorsement SPSS data.sav
	Filter	<none>
	Weight	<none>
	Split File	<none>
	N of Rows in Working Data File	321
Missing Value Handling	Definition of Missing	User-defined missing values are treated as missing.
	Cases Used	Statistics are based on all cases with valid data.
Syntax		FREQUENCIES VARIABLES=Age Gener Education Occupation Banked T_Dependable T_Honest T_Reliable T_Sincere T_Trustworthy E_Expert E_Experienced E_Knowledgeble E_Qualified E_Skilled PhA_Attractive PhA_Classy PhA_Beautiful PhA_Elegant PhA_Sexy MA_Compatible MA_Fit MA_Relevant F_Match PI_Inquire PI_Consider PI_Purchas /STATISTICS=STDDEV MINIMUM MAXIMUM MEAN MEDIAN SKEWNESS SESKEW KURTOSIS SEKURT /ORDER=ANALYSIS.
Resources	Processor Time	00:00:00.08
	Elapsed Time	00:00:00.14

Statistics

		Age of respondent	Sex of respondent	Educ Status	Occupation	Do you have a bank account in any bank?
N	Valid	321	321	321	321	321
	Missing	0	0	0	0	0
Mean						
Median						
Std. Deviation						
Skewness						
Std. Error of Skewness						

Kurtosis					
Std. Error of Kurtosis					
Minimum					
Maximum					

Statistics

		Trustworthiness of cel. (Undependable Vs Dependable)	Trustworthiness of cel. (Dishonest Vs Honest)	Trustworthiness of cel. (Unreliable Vs Reliable)	Trustworthiness of cel. (Insincere Vs Sincere)
N	Valid	321	321	321	321
	Missing	0	0	0	0
Mean		3.37	3.41	3.35	3.35
Median		3.00	3.00	3.00	3.00
Std. Deviation		.701	.894	.924	.900
Skewness		.868	.309	.129	-.029
Std. Error of Skewness		.136	.136	.136	.136
Kurtosis		.377	-.406	-.411	.072
Std. Error of Kurtosis		.271	.271	.271	.271
Minimum		2	1	1	1
Maximum		5	5	5	5

Statistics

		Trustworthiness of cel. (Untrustworthy Vs Trustworthy)	Experitise of cel. (Not an expert Vs Expert)	Experitise of cel. (In experienced Vs Experienced)	Experitise of cel. (Unknowledgeable Vs Knowledgeable)
N	Valid	321	321	321	321
	Missing	0	0	0	0
Mean		3.22	3.19	3.14	3.39
Median		3.00	3.00	3.00	4.00
Std. Deviation		.701	.873	.829	.978
Skewness		.649	.181	-.327	-.443
Std. Error of Skewness		.136	.136	.136	.136
Kurtosis		1.915	-.776	-.646	-.741
Std. Error of Kurtosis		.271	.271	.271	.271
Minimum		1	2	1	1
Maximum		5	5	5	5

Statistics

		Experitise of cel. (Unqualified Vs Qualified)	Experitise of cel. (Unskilled Vs Skilled)	Phsical attractiveness of cel. (Unattractive Vs Attractive)	Phsical attractiveness of cel. (Not classy Vs Classy)
N	Valid	321	321	321	321
	Missing	0	0	0	0
Mean		3.29	3.14	3.59	3.03
Median		3.00	4.00	4.00	4.00
Std. Deviation		1.171	1.096	1.392	1.305
Skewness		.060	-.538	-.377	-.319
Std. Error of Skewness		.136	.136	.136	.136
Kurtosis		-1.404	-1.301	-1.465	-1.371
Std. Error of Kurtosis		.271	.271	.271	.271
Minimum		1	1	1	1

Maximum	5	5	5	5
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Statistics

	Phsical attractiveness of cel. (Ugly Vs Beautiful)	Phsical attractiveness of cel. (Plain Vs Elegant)	Phsical attractiveness of cel. (Not sexy Vs Sexy)	Congrounce or Fit of cel. (Not Compatible Vs Compatible)
N Valid	321	321	321	321
Missing	0	0	0	0
Mean	3.12	3.37	3.60	3.00
Median	4.00	4.00	4.00	3.00
Std. Deviation	1.135	1.379	1.158	.868
Skewness	-.189	-.013	-.690	.006
Std. Error of Skewness	.136	.136	.136	.136
Kurtosis	-1.388	-1.684	-.647	-1.675
Std. Error of Kurtosis	.271	.271	.271	.271
Minimum	1	1	1	2
Maximum	5	5	5	4

Statistics

	Congrounce or Fit of cel. (Bad fit Vs Good fit)	Congrounce or Fit of cel. (Irrelvant Vs Relevant)	Congrounce or Fit of cel. (Bad match Vs Good match)	Purchase intention- I will inquire abt cel. endorsed bank brand
N Valid	321	321	321	321
Missing	0	0	0	0
Mean	3.00	3.00	2.87	3.69
Median	3.00	3.00	3.00	4.00
Std. Deviation	.868	.868	1.167	1.039
Skewness	.006	.006	-.462	-.334
Std. Error of Skewness	.136	.136	.136	.136
Kurtosis	-1.675	-1.675	-1.313	-1.040
Std. Error of Kurtosis	.271	.271	.271	.271
Minimum	2	2	1	2
Maximum	4	4	4	5

Statistics

	Purchase intention-I will consider purchasin/using cel. endorsed bank brand	Purchase intention-I will actually purchase/use cel. endorsed bank brand
N Valid	321	321
Missing	0	0
Mean	3.69	3.09
Median	4.00	3.00
Std. Deviation	1.039	1.054
Skewness	-.334	-1.045
Std. Error of Skewness	.136	.136
Kurtosis	-1.040	-.125
Std. Error of Kurtosis	.271	.271
Minimum	2	1
Maximum	5	4

Frequency Table

Age of respondent

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-30	96	29.9	29.9	29.9
	31-40	132	41.1	41.1	71.0
	41 -50	63	19.6	19.6	90.7
	51 and above	30	9.3	9.3	100.0
	Total	321	100.0	100.0	

Sex of respondent

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	187	58.3	58.3	58.3
	Female	134	41.7	41.7	100.0
	Total	321	100.0	100.0	

Educ Status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below high school	81	25.2	25.2	25.2
	High school	60	18.7	18.7	43.9
	Diploma	60	18.7	18.7	62.6
	Firts degree	120	37.4	37.4	100.0
	Total	321	100.0	100.0	

Occupation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Student	40	12.5	12.5	12.5
	Employee	101	31.5	31.5	43.9
	Business owner	120	37.4	37.4	81.3
	Other	60	18.7	18.7	100.0
	Total	321	100.0	100.0	

Do you have a bank account in any bank?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	321	100.0	100.0	100.0

Trustworthiness of cel. (Undependable Vs Dependable)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	13	4.0	4.0	4.0
	Newtral	203	63.2	63.2	67.3
	Agree	77	24.0	24.0	91.3
	Strongly Agree	28	8.7	8.7	100.0

Total	321	100.0	100.0
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Trustworthiness of cel. (Dishonest Vs Honest)

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Storongly disAgree	2	.6	.6	.6
Disagree	35	10.9	10.9	11.5
Newtral	161	50.2	50.2	61.7
Agree	75	23.4	23.4	85.0
Strongly Agree	48	15.0	15.0	100.0
Total	321	100.0	100.0	

Trustworthiness of cel. (Unreliable Vs Reliable)

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Storongly disAgree	4	1.2	1.2	1.2
Disagree	47	14.6	14.6	15.9
Newtral	143	44.5	44.5	60.4
Agree	86	26.8	26.8	87.2
Strongly Agree	41	12.8	12.8	100.0
Total	321	100.0	100.0	

Trustworthiness of cel. (Insincere Vs Sincere)

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Storongly disAgree	8	2.5	2.5	2.5
Disagree	33	10.3	10.3	12.8
Newtral	154	48.0	48.0	60.7
Agree	90	28.0	28.0	88.8
Strongly Agree	36	11.2	11.2	100.0
Total	321	100.0	100.0	

Trustworthiness of cel. (Untrustworthy Vs Trustworthy)

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Storongly disAgree	4	1.2	1.2	1.2
Disagree	17	5.3	5.3	6.5
Newtral	226	70.4	70.4	76.9
Agree	52	16.2	16.2	93.1
Strongly Agree	22	6.9	6.9	100.0
Total	321	100.0	100.0	

Experitse of cel. (Not an expert Vs Expert)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	77	24.0	24.0	24.0
	Newtral	125	38.9	38.9	62.9
	Agree	99	30.8	30.8	93.8
	Strongly Agree	20	6.2	6.2	100.0
	Total	321	100.0	100.0	

Experitse of cel. (In experienced Vs Experienced)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Storngly disAgree	6	1.9	1.9	1.9
	Disagree	69	21.5	21.5	23.4
	Newtral	125	38.9	38.9	62.3
	Agree	117	36.4	36.4	98.8
	Strongly Agree	4	1.2	1.2	100.0
	Total	321	100.0	100.0	

Experitse of cel. (Unknowledgeable Vs Knowledgeable)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Storngly disAgree	6	1.9	1.9	1.9
	Disagree	71	22.1	22.1	24.0
	Newtral	62	19.3	19.3	43.3
	Agree	156	48.6	48.6	91.9
	Strongly Agree	26	8.1	8.1	100.0
	Total	321	100.0	100.0	

Experitse of cel. (Unqualified Vs Qualified)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Storngly disAgree	4	1.2	1.2	1.2
	Disagree	115	35.8	35.8	37.1
	Newtral	44	13.7	13.7	50.8
	Agree	99	30.8	30.8	81.6
	Strongly Agree	59	18.4	18.4	100.0
	Total	321	100.0	100.0	

Experitse of cel. (Unskilled Vs Skilled)

		Frequency	Percent	Valid Percent	Cumulative Percent

Valid	Storongly disAgree	22	6.9	6.9	6.9
	Disagree	103	32.1	32.1	38.9
	Newtral	8	2.5	2.5	41.4
	Agree	184	57.3	57.3	98.8
	Strongly Agree	4	1.2	1.2	100.0
	Total	321	100.0	100.0	

Phsical attractiveness of cel. (Unattractive Vs Attractive)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Storongly disAgree	16	5.0	5.0	5.0
	Disagree	100	31.2	31.2	36.1
	Newtral	8	2.5	2.5	38.6
	Agree	74	23.1	23.1	61.7
	Strongly Agree	123	38.3	38.3	100.0
	Total	321	100.0	100.0	

Phsical attractiveness of cel. (Not classy Vs Classy)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Storongly disAgree	54	16.8	16.8	16.8
	Disagree	81	25.2	25.2	42.1
	Newtral	10	3.1	3.1	45.2
	Agree	152	47.4	47.4	92.5
	Strongly Agree	24	7.5	7.5	100.0
	Total	321	100.0	100.0	

Phsical attractiveness of cel. (Ugly Vs Beautiful)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Storongly disAgree	16	5.0	5.0	5.0
	Disagree	121	37.7	37.7	42.7
	Newtral	12	3.7	3.7	46.4
	Agree	152	47.4	47.4	93.8
	Strongly Agree	20	6.2	6.2	100.0
	Total	321	100.0	100.0	

Phsical attractiveness of cel. (Plain Vs Elegant)

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Storongly disAgree	10	3.1	3.1	3.1
	Disagree	133	41.4	41.4	44.5
	Newtral	10	3.1	3.1	47.7

Agree	64	19.9	19.9	67.6
Strongly Agree	104	32.4	32.4	100.0
Total	321	100.0	100.0	

Phsical attractiveness of cel. (Not sexy Vs Sexy)

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Storongly disAgree	14	4.4	4.4	4.4
Disagree	69	21.5	21.5	25.9
Newtral	14	4.4	4.4	30.2
Agree	159	49.5	49.5	79.8
Strongly Agree	65	20.2	20.2	100.0
Total	321	100.0	100.0	

Congrounce or Fit of cel. (Not Compatible Vs Compatible)

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Disagree	121	37.7	37.7	37.7
Newtral	80	24.9	24.9	62.6
Agree	120	37.4	37.4	100.0
Total	321	100.0	100.0	

Congrounce or Fit of cel. (Bad fit Vs Good fit)

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Disagree	121	37.7	37.7	37.7
Newtral	80	24.9	24.9	62.6
Agree	120	37.4	37.4	100.0
Total	321	100.0	100.0	

Congrounce or Fit of cel. (Irrelvant Vs Relevant)

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Disagree	121	37.7	37.7	37.7
Newtral	80	24.9	24.9	62.6
Agree	120	37.4	37.4	100.0
Total	321	100.0	100.0	

Congrounce or Fit of cel. (Bad match Vs Good match)

	Frequency	Percent	Valid Percent	Cumulative Percent
--	-----------	---------	---------------	--------------------

Valid	Storngly disAgree	60	18.7	18.7	18.7
	Disagree	61	19.0	19.0	37.7
	Newtral	60	18.7	18.7	56.4
	Agree	140	43.6	43.6	100.0
	Total	321	100.0	100.0	

Purchase intention-I will inquire abt cel. endorsed bank brand

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	59	18.4	18.4	18.4
	Newtral	62	19.3	19.3	37.7
	Agree	121	37.7	37.7	75.4
	Strongly Agree	79	24.6	24.6	100.0
	Total	321	100.0	100.0	

Purchase intention-I will consider purchasin/using cel. endorsed bank brand

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Disagree	59	18.4	18.4	18.4
	Newtral	62	19.3	19.3	37.7
	Agree	121	37.7	37.7	75.4
	Strongly Agree	79	24.6	24.6	100.0
	Total	321	100.0	100.0	

Purchase intention-I will actually purchase/use cel. endorsed bank brand

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Storngly disAgree	54	16.8	16.8	16.8
	Disagree	3	.9	.9	17.8
	Newtral	125	38.9	38.9	56.7
	Agree	139	43.3	43.3	100.0
	Total	321	100.0	100.0	

REGRESSION

```

/DESCRIPTIVES MEAN STDDEV CORR SIG N
/MISSING LISTWISE
/STATISTICS COEFF OUTS BCOV R ANOVA COLLIN TOL ZPP
/CRITERIA=PIN(.05) POUT(.10)
/NOORIGIN
/DEPENDENT P_Intention
/METHOD=ENTER Trustworthiness Expertise Congruence Attractiveness
/SCATTERPLOT=(*ZPRED ,*ZRESID)
/RESIDUALS NORMPROB(ZRESID).

```

Regression

Notes

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	Weight	<none>
	Split File	<none>
	N of Rows in Working Data File	321
Missing Value Handling	Definition of Missing	User-defined missing values are treated as missing.
	Cases Used	Statistics are based on cases with no missing values for any variable used.
Syntax	REGRESSION /DESCRIPTIVES MEAN STDDEV CORR SIG N /MISSING LISTWISE /STATISTICS COEFF OUTS BCOV R ANOVA COLLIN TOL ZPP /CRITERIA=PIN(.05) POUT(.10) /NOORIGIN /DEPENDENT P_Intention /METHOD=ENTER Trustworthiness Expertise Congruence Attractiveness /SCATTERPLOT=(*ZPRED ,*ZRESID) /RESIDUALS NORMPROB(ZRESID).	
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	Elapsed Time	00:00:16.79
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	Additional Memory Required for Residual Plots	288 bytes

Descriptive Statistics

	Mean	Std. Deviation	N
P_Intention	3.4860	1.01648	321
Trustworthiness	3.3421	.68993	321
Expertise	3.2305	.88498	321
Congruence	2.9657	.92807	321
Attractiveness	3.3421	1.10759	321

Correlations

		P_Intention	Trustworthiness	Expertise	Congruence
Pearson Correlation	P_Intention	1.000	.694	.621	.349
	Trustworthiness	.694	1.000	.322	.331
	Expertise	.621	.322	1.000	.162
	Congruence	.349	.331	.162	1.000
	Attractiveness	.340	.143	.578	.149
Sig. (1-tailed)	P_Intention	.	.000	.000	.000
	Trustworthiness	.000	.	.000	.000
	Expertise	.000	.000	.	.002
	Congruence	.000	.000	.002	.
	Attractiveness	.000	.005	.000	.004
N	P_Intention	321	321	321	321
	Trustworthiness	321	321	321	321
	Expertise	321	321	321	321
	Congruence	321	321	321	321
	Attractiveness	321	321	321	321

Correlations

		Attractiveness
Pearson Correlation	P_Intention	.340
	Trustworthiness	.143
	Expertise	.578
	Congruence	.149
	Attractiveness	1.000
Sig. (1-tailed)	P_Intention	.000
	Trustworthiness	.005
	Expertise	.000
	Congruence	.004
	Attractiveness	.
N	P_Intention	321
	Trustworthiness	321
	Expertise	321
	Congruence	321
	Attractiveness	321

Variables Entered/Removed^a

Model	Variables Entered	Variables Removed	Method
1	Attractiveness, Trustworthiness, Congruence, Expertise ^b	.	Enter

a. Dependent Variable: P_Intention

b. All requested variables entered.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.818 ^a	.669	.664	.58892

a. Predictors: (Constant), Attractiveness, Trustworthiness, Congruence, Expertise

b. Dependent Variable: P_Intention

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	221.032	4	55.258	159.322	.000 ^b
	Residual	109.599	316	.347		
	Total	330.631	320			

a. Dependent Variable: P_Intention

b. Predictors: (Constant), Attractiveness, Trustworthiness, Congruence, Expertise

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1.029	.190		-5.428	.000
	Trustworthiness	.762	.053	.517	14.387	.000
	Expertise	.506	.048	.441	10.601	.000
	Congruence	.117	.038	.107	3.107	.002
	Attractiveness	-.004	.037	-.005	-.121	.904

Coefficients^a

Model		Correlations			Collinearity Statistics	
		Zero-order	Partial	Part	Tolerance	VIF
1	(Constant)					
	Trustworthiness	.694	.629	.466	.811	1.232
	Expertise	.621	.512	.343	.607	1.647
	Congruence	.349	.172	.101	.880	1.136
	Attractiveness	.340	-.007	-.004	.658	1.519

a. Dependent Variable: P_Intention

Coefficient Correlations^a

Model			Attractiveness	Trustworthiness	Congruence	Expertise
1	Correlations	Attractiveness	1.000	.080	-.090	-.566
		Trustworthiness	.080	1.000	-.304	-.282
		Congruence	-.090	-.304	1.000	.000
		Expertise	-.566	-.282	.000	1.000

Covariances	Attractiveness	.001	.000	.000	-.001
	Trustworthiness	.000	.003	-.001	-.001
	Congruence	.000	-.001	.001	1.359E-7
	Expertise	-.001	-.001	1.359E-7	.002

a. Dependent Variable: P_Intention

Collinearity Diagnostics^a

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions		
				(Constant)	Trustworthiness	Expertise
1	1	4.808	1.000	.00	.00	.00
	2	.092	7.245	.00	.02	.06
	3	.050	9.775	.08	.17	.03
	4	.030	12.658	.15	.03	.88
	5	.020	15.666	.76	.78	.03

Collinearity Diagnostics^a

Model	Dimension	Variance Proportions	
		Congruence	Attractiveness
1	1	.00	.00
	2	.35	.28
	3	.57	.28
	4	.08	.35
	5	.00	.09

a. Dependent Variable: P_Intention

Residuals Statistics^a

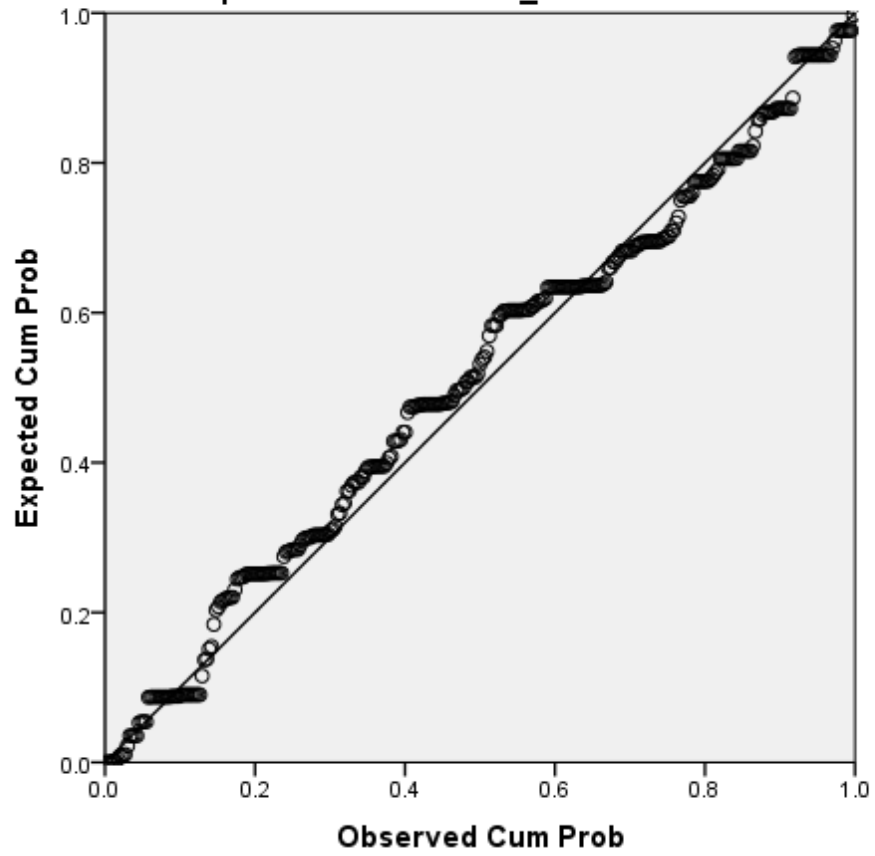
	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	1.6938	5.4679	3.4860	.83110	321
Residual	-2.14706	1.63387	.00000	.58523	321
Std. Predicted Value	-2.156	2.385	.000	1.000	321
Std. Residual	-3.646	2.774	.000	.994	321

a. Dependent Variable: P_Intention

Charts

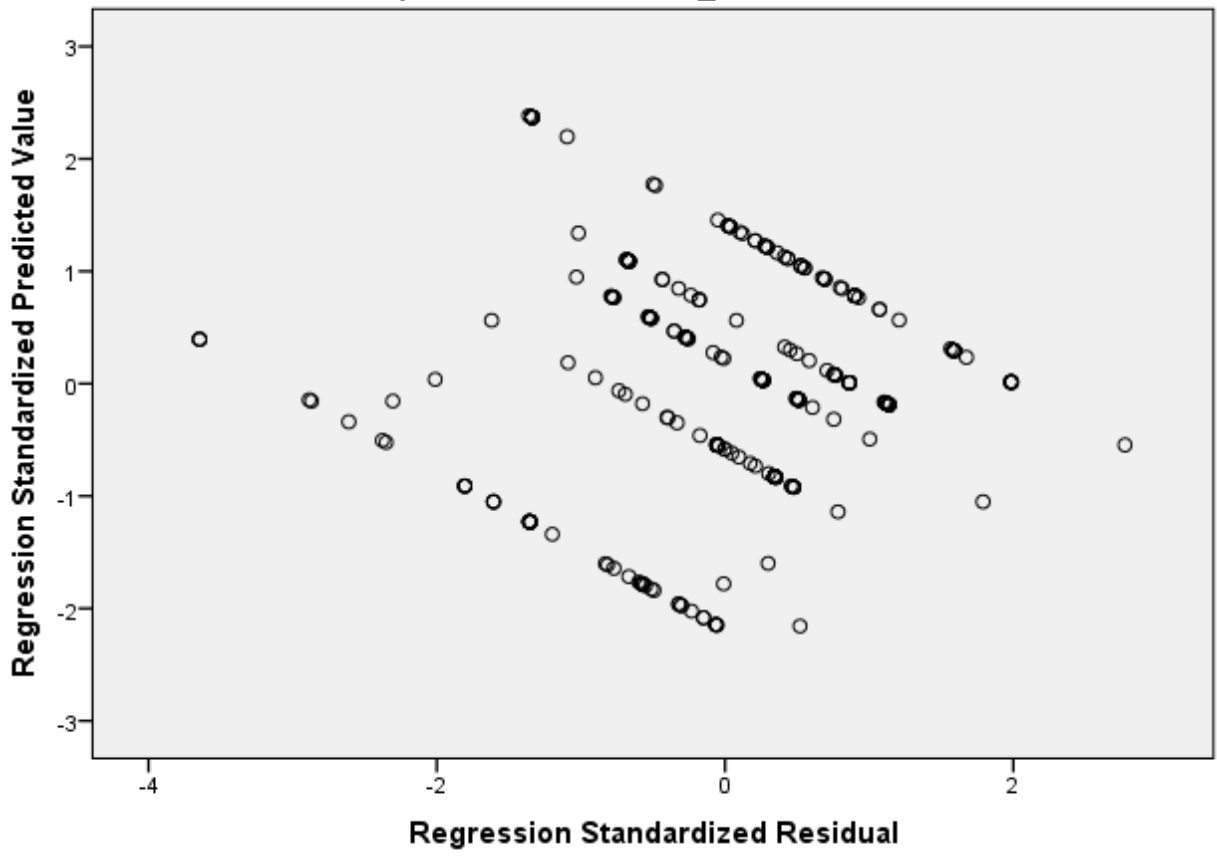
Normal P-P Plot of Regression Standardized Residual

Dependent Variable: P_Intention



Scatterplot

Dependent Variable: P_Intention



Appendix B

Questionnaire

Dear Sir/Madam

My name is Elias Seife and I am M.A. student at Addis Ababa University, School of Commerce. I am collecting data to study factors that affect effectiveness of celebrity endorsed advertisements in the context of Ethiopian banking industry. Hence I would like to request your kind cooperation to fill this questionnaire. The information you provided will be used only for academic purpose and will be kept confidential.

Celebrity endorsement is a form of advertising campaign that involves well known persons using their fame to help promote a product or services. Celebrity is defined as a person who enjoys public recognition from a large share of a certain group of people and uses this recognition on behalf of a consumer good by appearing with it in advertisements. Celebrities are usually known to the public for their accomplishments in areas other than the product endorsed by them e.g. actors, sport figures, entertainers, and the like.

While filling the questionnaire, I would like to request you to keep in mind the advertisements (both TV and Print ads) of the celebrity endorsed advertisements particularly in the banking sector.

Should you have any inquiries please do not hesitate to contact me with tlselias@yahoo.com I thank you!

Part I: Demographic profile

Please answer by putting a thick mark (X) in the box provided

1. Age 18-30 31-40 41-50 51 & above
2. Gender Male Female
3. Educational Below high school High school Diploma
 1st Degree 2nd Degree & above

4. Occupation Student Employee Business owner Other _____

5. Do you have a bank account in any bank? Yes No

Part II: Perception towards the celebrity endorsement

6. . Please circle the number that best reflect your feeling towards the celebrity’s Trustworthiness in the advertisements

6.1.	Undependable	1	2	3	4	5	Dependable
6.2.	Dishonest	1	2	3	4	5	Honest
6.3.	Unreliable	1	2	3	4	5	Reliable
6.4.	Insincere	1	2	3	4	5	Sincere
6.5.	Untrustworthy	1	2	3	4	5	Trustworthy

7. Please circle the number that best reflect your feeling towards the celebrity’s Expertise of the brand he/she is endorsing in the advertisements.

7.1.	Not an expert	1	2	3	4	5	Expert
7.2.	Inexperienced	1	2	3	4	5	Experienced
7.3.	Unknowledgeable	1	2	3	4	5	Knowledgeable
7.4.	Unqualified	1	2	3	4	5	Qualified
7.5.	Unskilled	1	2	3	4	5	Skilled

8. Please circle the number that best reflect your feeling towards the celebrity’s Physical Attractiveness in the advertisements.

8.1.	Unattractive	1	2	3	4	5	Attractive
8.2.	Not classy	1	2	3	4	5	Classy
8.3.	Ugly	1	2	3	4	5	Beautiful
8.4.	Plain	1	2	3	4	5	Elegant
8.5.	Not sexy	1	2	3	4	5	Sexy

9. Please circle the number that best reflect your feeling towards the perceived congruence (fit) between the celebrity and the brands (i.e. banks) endorsed.

9.1.	Not Compatible	1	2	3	4	5	Compatible
9.2.	Bad fit	1	2	3	4	5	Good fit
9.3.	Irrelevant	1	2	3	4	5	Relevant
9.4.	Bad match	1	2	3	4	5	Good match

Part III: Purchase intention

The following questions are about your intent to use the service of the celebrity endorsed bank (purchase intention).

Please circle the number that reflects best your feeling.

Purchase intention	Strongly disagree	disagree	Neutral	Agree	Strongly agree
I will inquire about the celebrity endorsed bank	1	2	3	4	5
I will consider purchasing (using) the service of the celebrity endorsed bank	1	2	3	4	5
I will actually purchase (use) the service of celebrity endorsed bank	1	2	3	4	5

Thank you for your honest, accurate and timely response.

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