# Moderating Effect of Celebrity Endorsements on Media Advertisements and Purchase Intention towards Cosmetic Products in Kathmandu Valley

Gaurav Ojha \*

\* Sunway International Business School, Kathmandu, Nepal

### Abstract

**Background:** This study examines the moderating effect of celebrity endorsement on the relationship between different media advertisements and consumer purchase intention towards skin and hair care cosmetic products among female customers in Kathmandu Valley.

Received: 27 Nov 2021 Reviewed: 25 April 2022 Accepted: 03 May 2022

Published: 25 May 2022

**Objectives:** The purpose of this study is to evaluate the moderating effect of celebrity endorsements on the relationship between different media advertisements and purchase intention towards skin and hair care cosmetic products.

## **Correspondence:**

Gaurav Ojha ojhagaurav84@gmail.com

#### Citation:

Ojha, G. (2022). Moderating effect of celebrity endorsements on media advertisements and purchase intention towards cosmetic products. The Journal of Business and Management, 6 (1), 46-63. https://doi.org/10.3126/ jbmv6i01.46635

**Methods:** In this study, primary data has been collected from the respondents using quota sampling and the sample size includes 200 respondents from Kathmandu Valley. This research is an empirical study and for examining the moderating effect of celebrity endorsement between independent and dependent variables, correlation, multiple and moderated regression analysis have been used.

Results: The results of this study indicate that the overall impact of different media advertisements is positively and significantly associated with purchase intention. More importantly, the presence of celebrity endorsements in different media advertisements enhances and modifies the relationship between different media advertisements and purchase intention towards cosmetic products.

**Conclusion:** The positive and statistically significant association between media advertisements and purchase intention is moderated by celebrity endorsements regarding cosmetic products. Further, marketing implications of data analysis and findings have been comprehensively elaborated in this study.

**Keywords:** endorsements, media advertisements, Celebrity moderating effect, skin and hair care cosmetics

**JEL Classification:** M31, M37

## Introduction

In this study, the moderating effect of celebrity endorsements on the relationship between different media advertisements and consumer purchase intention towards skin and hair care cosmetic products among female consumers in Kathmandu Valley has been examined. When it comes to cosmetic products, the core visual and message content of advertisements is dominated by celebrity endorsements. Celebrity endorsements appear as a common denominator across different media advertisements. And, the idea behind utilizing celebrities is that the trustworthiness, expertise, and attractiveness associated with the celebrity endorsing cosmetic products have significant influence on purchase intention (Khandai & Agrawal, 2012). Therefore, advertising agencies associated with promoting skin and hair care cosmetic products also specialize in using celebrities for their effective advertisement campaign.

Moreover, Sama (2019) indicates that consumer expectations regarding information disseminated through various advertising platforms such as newspapers, magazines and online can be entirely different. Subsequently, this study has framed its research problem with reference to the study by Sama (2019) that cosmetic advertisements in different media platforms have different celebrity endorsement compositions that engage consumers in a distinct way. Hence, it is imperative for marketing research to examine and evaluate to what extent celebrity endorsements content moderates the influence of advertisements disseminated through different media platforms on purchase intention regarding skin and hair care cosmetic products.

With this as a reference, this study evaluates the moderating effect of celebrity endorsements presented through television, online and magazine advertisements with specific focus on female consumers as the main targeted segment. Besides, when it comes to selecting appropriate platforms for advertisements with celebrity endorsements, it is necessary for advertising agencies to understand variations in the effect of celebrity endorsements based on advertisement formats.

More importantly, in Nepalese context previous studies (Pokharel & Pradhan, 2018; Baniya, 2017) have examined and established influential relationship between variables such as celebrity endorsements, purchase intention and consumer buying behavior. However, moderating effective celebrity endorsements have on direct relationship between different media advertisements and purchase indention has still remained as a research gap. There is no marketing research in Nepalese context regarding the moderating effect celebrity endorsements have on consumer purchase intention with its presence in different advertising platforms. Whereas, studying the moderating effect of celebrity endorsement is necessary for developing and selecting effective promotional media mix.

Moreover, as Hani et al. (2018) indicate that every individual as consumers are influenced by advertisements that involve their favorite celebrity and their endorsement towards the product. Hence, as an important marketing research problem influence of celebrity endorsement content disseminated through of different advertisements platforms on purchase intention towards cosmetic product needs to be evaluated and studied for effective marketing decisions. Furthermore, Osei-Frimpong et al. (2019) specify that physical, affective and perceptual attributes of celebrity endorsers generates positive influence on purchase

JBM

intentions of consumers towards different products. Likewise, Chaudhary and Asthana (2015) in their study also found that celebrity endorsements catch the attention of consumers and when buying products endorsed by a celebrity, endorsements create familiarity with cosmetic products.

Since, celebrity endorsement is extremely common in Asian countries (Praet, 2001) including Nepal, from teen icons, well-established celebrities, sports personalities to Tiktok and Instagram Influencers are used to promote cosmetic products in the market. Hence, it is highly imperative for advertisements agencies to explore and understand the moderating effect of celebrity endorsement within different media advertising platforms; after all they are initiating and applying endorsements of celebrities to generate purchase intention towards cosmetic products. Besides, understanding the relationship between these variables also generates scope for marketing implications when it comes to promoting cosmetic products.

### **Review of Literature**

This study has reviewed previously published literature that have examined and explored the influential relationship between celebrity endorsements in different media advertisements and purchase intention towards cosmetic products for the purpose of developing conceptual framework and research questions.

## **Theoretical Review**

Regarding the theoretical framework for determining the moderating effect of celebrity endorsements on purchase intention towards cosmetic products based on different media advertisements, this study builds on relationships between variables based on source credibility and source attractiveness models. Source credibility theory states that consumers are influenced by perceptual evaluation of credibility they associated with celebrities (Hovland et al., 1953). Similarly, Wang et al. (2017) indicate that credible sources are capable of swaying the opinions, attitude and behavior of the consumers. Hence, according to this theory, endorsement animating from a credible source generates an affirmative effect on the consumers' attitude towards the product that subsequently results in purchase intention (Till & Busler, 2000).

Similarly, source attractiveness model indicates that consumers find celebrities attractive when they are familiar, similar and likable (McGuire, 1985). Here, attractiveness begins when a celebrity has been considered by a consumer as attractive, hot, handsome or gorgeous (Ohanian, 1991). Although attractiveness is not limited to physical attraction, in this study, considering cosmetic products, attractiveness has more resonance towards physical attractiveness. Besides, selection of these two theoretical models has been justified with the findings of earlier study in Nepalese context where relationship between physical attractiveness of celebrity and purchase intention has been examined and established (Baniya, 2017). Hence, based on these two models this study also assumes that celebrity endorsement influences on purchase intention.

## **Empirical Review**

Rahman (2018) indicates that global celebrities with popularity and positive image are capable of enhancing positive consumer attitude towards the advertisement message circulated as celebrity endorsement. Similarly, Carlson et al. (2020) find that consumers strongly identifying with an endorser

generate favorably response to the endorsement and this identification can be linked with purchase intentions. Likewise, Jaffari and Hunjra (2017) in their study reveal that the consumer purchase intention is influenced by celebrity endorsements in advertisements. In another study, Fatima and Lodhi (2015) conclude that advertisements with celebrity endorsements are very useful promotional tools for creating product awareness among the consumers.

Moreover, with the conclusion of Fatima and Lodhi (2015) as a reference, in this study also moderating effect of celebrity endorsements on different media advertising formats have been evaluated, after all advertising agencies use celebrity to generate and sustain strong and positive perception of customers regarding their cosmetic products. Gauns et al. (2018) find that celebrity endorsements are more attractive and influential, when compared with non-celebrity endorsements, and more importantly celebrity endorsements have a positive relationship with purchase intention. Similarly, Thomas and Johnson (2017) observe that celebrity presence has a very significant influence on purchase intention and the influence of celebrity on purchase intention is mediated by customer attitude towards advertisement. Hence, based on these studies (Gauns et al., 2018; Thomas & Johnson, 2017) as a reference, this study also assumes that celebrity endorsements presented through different media advertisements influences purchase intention towards cosmetic products.

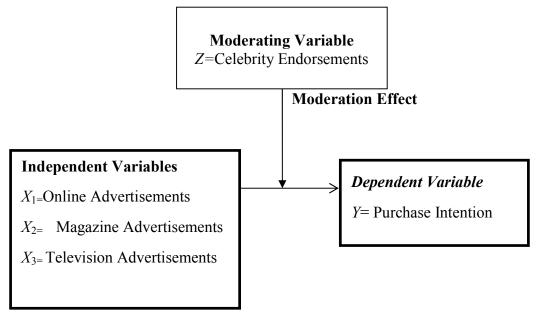
Regarding online advertisements, Wei et al. (2010) find that features of online advertising including visuals and video content disseminated through online platforms generate positive influence on purchase intentions. Similarly, Sama (2019) indicates that television advertisement platforms are more suitable when the product requires more physical demonstration, whereas digital platforms are more interactive, user oriented and consumers have more choice and control for watching the content of advertisement. In another study regarding advertisements, Nysveen and Breivik (2005) indicate that content quality of the advertisements determines the effectiveness of advertisements. Hence, content quality is significant part of any effective advertisement campaign. Besides, Hussain et al. (2020) specify that perceived trust consumers associate with celebrity endorsements effects advertising credibility and consumer engagement. Therefore, in this study celebrity endorsement has been hypothesized as moderating variable that significantly enhances the advertising effects of television, online and magazine advertisements and influences purchase intention of female cosmetic consumers.

Considering Nepalese literature, Pokharel and Pradhan (2018) in their study conclude that celebrity endorsements positively impact consumer buying behavior. Besides, their study also indicated that there is a significant relationship between celebrities' attributes and purchase intention towards consumer products (Pokharel & Pradhan, 2018). Similarly, Baniya (2017) finds that physical attractiveness and source credibility associated with celebrity positively impact preferential attitude of consumers towards a particular brand or product. However, assessment on moderating influence of celebrity endorsements on the relationship between purchase intention and different media advertisements still remains a research gap for developing effective and comprehensive marketing strategy regarding skin and hair care cosmetic products.

The conceptual framework indicates the presumed relationship between dependent, independent and moderating variables considered in this study. Here, formulation of conceptual framework is based on literature review of previous studies that have examined relationship between selected variables (Udovita & Hilal, 2018; Sama, 2019; Jaffari & Hunjra, 2017; Hussain et al., 2020; Gauns et al., 2018).

Figure 1 Conceptual Framework

IBM



Conceptual framework of this study hypothesizes a relationship between celebrity endorsers of cosmetic products and female consumers that when a celebrity endorsing a cosmetic product reflects idealized selfconcept and self-image of female consumers of cosmetic products, they also evaluate advertisements as significant, influential and positive and this evaluation also increases product purchase intentions (Choi & Rifon, 2012). More importantly, from the perspective of advertising content, the effectiveness of any advertisement is inseparably tied with celebrity endorsements (Till & Busler, 2000). Hence, this study considers celebrity endorsement as a variable that significant moderates the direct relationship between different media advertisements and purchase intention.

Here, basic premise is that since marketing practitioners and advertising agencies usually employ celebrities for promoting cosmetic products and this study also hypothesizes that celebrity endorsements positively impact consumers' attitudes toward different media advertisements and purchase intention toward the endorsed products (Knoll & Matthes, 2017). In this study, condition for moderating the direct effect between independent and dependent variable has been recognized as celebrity endorsement. More specifically, as indicated by Baron and Kenny (1986) moderator variable alters degree of variation in the direct relationship between an independent and dependent variable. Based on the above conceptual framework and hypothesized relationship between variables, this study is guided by the following research questions.

a. What proportion of variance in purchase intention is explained by effects of media advertisements (online, magazine and television) and celebrity endorsements?

b. What degree of variance in purchase intention is explained by the moderating effects generated by celebrity endorsements in different media advertisements?

### **Research Methods**

**IBM** 

In this study, a cross-sectional quantitative method has been used to examine different quantitative degree and dimensions of relationship between selected variables. As in the context with cross-sectional quantitative method, data were collected from the research participants at a single point in time within relatively short time frame (Johnson & Christensen, 2017). Similarly, descriptive research has been used to summarize the data gathered from the respondents in percentages, ranks and averages. In addition, considering correlation research design, in this study strength of relations between different media advertising platforms, celebrity endorsements and purchase intention has been evaluated. Descriptive statistics (percentage, average and frequency) and inferential statistics (multiple and moderating regression analysis) have been used to analyze data and examine relationships between celebrity endorsement, media advertisements and purchase intention towards skin and hair care cosmetic products.

In this study, female consumers of cosmetic products were approached through online surveys in Google form. For the purpose of the research sample, judgment, quota and convenient sampling procedures have been used to locate 200 regular female consumers of skin and hair care cosmetic products (N=200) within Kathmandu valley. For the purpose of collecting data, a structured questionnaire was prepared and the questionnaire distributed within a standard template of Google form through different social networking sites. In this study, among non-probability sampling procedures, a convenient quota sampling technique has been used to effectively reach a diverse and distinct subset of female cosmetic consumers to improve the representativeness of the sample. Within the quota sample approach, maximum representation (60%, N=120) has been given to female customers between the ages of 20-40, and the quota system was divided as 16-20, 21-30, 31-40, 41-50. Female consumers above the ages of 50 were not considered as respondents. Questionnaires were distributed to about 400 female consumers and only 200 of them filled the online survey.

Moreover, descriptive statistics (percentage, rank, frequency and average) and inferential statistics (correlations and regression analysis) have been used to report the data analysis and findings. As Saunders et al. (2012) mention, in the study, correlation analysis has been used to investigate linear relationship between selected variables based on strength and direction. More important, multiple regression analysis has been used to investigate simultaneous and causal on the effect independent variables have on dependent variables.

Furthermore, moderated regression analysis has been used to determine whether the relationship between two variables (media advertisements and purchase intention) depends on the value of a third variable (celebrity endorsements). For the analysis of data collected from questionnaires, Statistical Package for Social Sciences (SPSS) was selected because of its ability to extensively analyze quantitative data. In this study, only samples that contain complete responses to all survey items were considered for data analysis. For presenting data appropriately this study has used different types of descriptive and inferential data analysis tools and techniques.

IBM

Moreover, moderating variable celebrity endorsement has been used to identify the change in relationship between different media advertisements and purchase intention. For this purpose, moderating model equation  $Y=iY + \beta_1X + \beta_2Z + \beta_3XZ + \epsilon$  has been formulated for each independent variable to indicate the presence of an interaction between variables purchase intention and media advertisements as conditional upon a third variable, celebrity endorsement. Here, the moderating variable has been converted into dummy variable and inserted into multi-regression equation. For data analysis to examine interactions within the context of moderated regression, additional columns were created in data base sheet. For analyzing interaction effect between independent variables and moderating variable in moderating regression table for each variables columns were formulated as indicated in example for the variable online advertisements (online advertisements- mean of online advertisements) x (celebrity endorsementmean of celebrity endorsement).

Demographic segment items included in this study consists of gender, education, income, age group and employment. Similarly, behavioral segmentation included items such as use frequency, brand loyalty and benefits needed. The survey instrument includes the following subgroup of variables: television advertisements (2 items), online advertisements (2 items), magazine advertisements (2 items), celebrity endorsement (2 items), and purchase intention (2 items). Questionnaire items for celebrity endorsement and purchase intention has been developed with Bergkvist and Zhou (2016) and Knoll and Matthes (2017) as references and items related with media advertisements have developed with reference to Sama (2019). Here, questionnaire items concerning celebrity endorsement include attractiveness, credible and trustworthy (Hovland & Weiss, 1951).

In this study, Likert-type scale (1-5) was used to measure variables respondents are required to rate on a scale starting from 1=strongly disagree to 5=strongly agree. The survey instrument consisted of 10 research constructs for dependent and independent variables. Regarding reliability and validity of the questionnaire, Cronbach's Alpha for all the items ranged from= .86 to .95, and 8 items were included for questions related with behavioral and demographic variables. Similarly, 6 questions included Dichotomous (Yes/No, Agree/Disagree, Prefer/Not prefer, Influenced/Not influenced) and rating scale questions as behavioral segmentation items.

More importantly for developing survey instruments regarding variables, measurement was based on review of literature that was also used for developing conceptual framework. Regarding cosmetic products, this study has been delimited within the frame of skin care hair care cosmetic products such face/body powders, foundations, cream, lotions, oils, and hair products includes shampoo, hair conditioners and rinses.

## **Results and Discussion**

## **Demographic Information and Consumer Perception and Preferences**

In this study female cosmetic consumers includes a purposively selected sample size of (N=200) and among female consumers, the maximum number of respondents falls under the age group of 20-30 and 30-40 years (70% N=140) and remaining (30%, N=60) falls under the age group of 16-20 years and 40-

50 age group. Majority of respondents (55%, N=110) are unmarried and about 45% (N=90) are married. Regarding respondents professional profile, 35% (N=70) of respondents are students, 10% (N=20) respondents are family managers, and 30% (N=60) of them are professional women engaged in different commercial banks, remaining 25% (N=50) of them are educators, primary school educators, lecturers and professor/teacher.

Table 1 Demographic Information

Respondents character	No. of responses	Percentage (Approximately)
Female cosmetic consumers	N=200	
	Age (in year)	
16-20	60	30%
20-30	80	40%
30-40	40	20%
40-50	20	10%
Total	N=200	100%
	Marital Status	
Married	110	55%
Unmarried	90	45%
Total	N=200	100%
Rest	oondents Professional Profile	•
Students	70	35%
Family Managers	20	10%
Educators	50	25%
Commercial Bank Employees	60	30%
Total	N=200	100%
Monthly	Spending on Cosmetic Produc	ets
Rs 500-1000	20	10%
1000-2000	60	30%
2000-4000	80	40%
Rs. 4000 +	40	20%
Total	N=200	100%
Income	Level of Consumers (Monthly)	)
Rs. 10,000-20,000	70	35%
20,000-40,000	60	30%
40,000-60,000	50	25%
Rs.60,000 +	20	10%
Total	N=200	100%
Inte	rnational Brand Preference	
Local Cosmetic Brand	50	25%
International Cosmetic Brand	150	75%
Total	N=200	100%

Brand Loyalty						
Yes   122   61%						
NO 78 39%						
Total	<b>Total</b> 200 100%					

The study shows that 10% (N=20) of respondents spent in the rage of Rs. 500-1000 on cosmetic products while 30% (N=60) of them spent Rs. 1000-2000, 40% (N=80) spent Rs. 2000-4000 and only 20% (N=40) spent Rs. 4000+ on cosmetic products monthly. And, regarding demographic segment, female customers (35%, N=70) are with higher income levels ranging from 40,000-60,000 and 60,000 + monthly income and these customers also spend more on cosmetic products. Here it is important to acknowledge that approximately 65% (N=47) of students are engaged in either part time or full time earning activities.

When it comes to behavioral segmentation, regarding frequency of use, this study finds that most of respondents (90%, N=180) use skincare moisturizing cream, lotions, body oils, and face powders daily and hair products shampoo, hair conditioners and rinses at least twice a week. Similarly, regarding brand loyalty and benefits needed, approximately 61% (122) of them indicate that they are loyal to particular skin and hair care brands based on the benefit it provides.

Most of the consumers (75%, N=150) prefer international cosmetic brands over local cosmetic products. This finding anecdotally resonates with an expression of a marketing officer from a cosmetic brand in a business report article published in Kathmandu post daily that female consumers buy international brand beauty products even when these products are comparatively expensive than local brands (Prasain, 2019). Likewise, regarding influence of advertisements with celebrity endorsements, approximately 78% (N=155) of respondents agree that when it comes to influence of celebrity, they are affected celebrity presence in the advertisements. Besides, descriptive analysis suggests that consumers equally prefer both local and internal celebrities in different advertisements.

 Table 2

 Consumer Perception and Preferences

Responses	No. of responses	Percentage (Approximately)				
1. Influence of advertisements with celebrity endorsements						
Agree	155	78%				
Disagree	45	22%				
Total	N=200	100%				
2. Influence based on 1	2. Influence based on non-celebrity endorsement and celebrity endorsement					
Celebrity endorsement	160	80%				
Non-celebrity endorsement	40	20%				
Total	N=200	100%				
3. Purchase intention based on advertisements with Celebrities						
Influenced	170	85%				
Not influenced	30	15%				

Total	N=200	100%			
4. Influence of Different Advertising Format					
Online Advertisements (Social Media)	130	65%			
Other Advertisement Platforms	70	35%			
Total	N=200	100%			
5. Attraction based on Phy	5. Attraction based on Physical attractiveness of the celebrity endorser				
Agree	140	70%			
Disagree	60	30%			
Total	N=200	100%			
6. Celebrity endors	sements as credible and trustwo	orthy			
Yes	110	55%			
No	90	45%			
Total	N=200	100%			

Moreover, regarding purchase intention based on advertisement, descriptive analysis in this study indicates that 85% (N=170) of respondents agree that they formulate purchase intention based on celebrity endorsements and recommendations disseminated through different advertisements. And, regarding different advertisement formats, the majority of respondents mention online advertisement as the most influencing factor and especially the majority of customers (65%,N=130) have mentioned celebrity endorsement mentioned in different social networking sites as the most influencing format of advertisement when it comes to purchasing cosmetic products. Likewise, most of the respondents (50%, N=100) reveal that most of the cosmetic advertisements and celebrity endorsement regarding cosmetic products they have come across within three month were on social media platforms. In addition 55% (N=110) respondents find celebrity endorsements as credible and trustworthy.

Similarly, the majority of respondents, approximately 80% (N=160) indicate that they are attracted by advertisements with celebrity endorsements rather than non-celebrity endorsements, and most of the respondents 60% (N=120) find that celebrity endorsements circulated through social networking sites more credible and trustworthy. This finding is comparable with Gauns et al. (2018) that celebrity endorsements are more attractive and influential to the consumers as compared with non-celebrity endorsements. However, 20 % (N=40) of professional women and family managers indicated that they are more influenced by non-celebrity endorsement than celebrity endorsement. About 70% (N=140) of respondents mention that they are affected by physical attractiveness of the celebrity endorser and majority of them are able to associate celebrity with the brand of cosmetic they endure. This finding is congruent with the conclusion of Baniya (2017) that physical attractiveness and celebrity brand matchup are associated with purchase intention.

Here, instagram celebrity endorsement represents a major source of celebrity influence, among people aged between 20-40 years, 74% (N=148) of respondents suggest that they find instagram posting of celebrities regarding cosmetic products credible and trustworthy. After all, social media influencers are

able to generative favorable, persuasive, credible and useful content that influences consumers purchase intentions (Boateng & Okoe, 2015).

## **Correlation Analysis**

### Table 3

Correlation Coefficients (Pearson's r)

Correlation Statistics between Explanatory factors and Purchase intention towards Cosmetic Product

Explanatory Variables N=200	Magazine Advertisements	Television Advertisements	Online Advertisements	Celebrity Endorsement	Purchase Intention
Magazine Advertisements	1	0.653*	0.667*	0.764*	0.755*
Television Advertisements	0.653*	1	0.453*	0.575*	0.565*
Online Advertisements	0.667*	0.453*	1	0.877*	0.854*
Celebrity Endorsement	0.764*	0.575*	0.877*	1	0.734*
Purchase Intention	0.755*	0.565*	0.854*	0.734*	1

<sup>\*</sup> Correlation is significant at p value < .05 level (2-tailed)

As the above table indicates Magazine advertisements, Television advertisements and Online Advertisements, are positively correlated with the purchase intention towards cosmetic products. Concerning the strength of relationship, two independent variables online advertisements and magazine advertisements indicate statistically significant and strong relationship (r =0.877,p<0.05) & r =.755, p<0.05) with purchase intention towards cosmetic product whereas television advertisement indicate moderate positive correlation towards purchase intention towards cosmetic product. As table 3 indicates, the results of Pearson correlation coefficient shows independent variables are positively correlated and significant with the dependent variable since the P value is less than 0.05. Regarding advertisements, TV and Magazine advertisements, these factors have significantly high positive correlation with purchase intention value. Besides, as a moderating factor in this study, correlation coefficients of celebrity endorsements in relationship with explanatory variables also indicate positive and significant relationships. Television advertising has a positive but moderate relationship with celebrating endorsements.

Moreover, as an implication of correlation analysis, when promoting cosmetic products on television platforms, it is necessary to create a promotional mix that includes both celebrity and non-celebrity endorsements. Besides, the correlation analysis in this study is congruent with the indications of Dom et al. (2016) that celebrity attractiveness consumers explore in advertisement, generates positive consumers' impressions about the product. However, the findings of correlation analysis moderately contradicts with the finding of Khandai and Agrawal (2012) that television has the maximum impact as far as influence by celebrity endorsements advertisements are concerned.

## **Multiple Regression Analysis**

In this study online, television and magazine advertisements have been selected as independent variables, while purchase intention has been considered as dependent variable. Regression analysis R Square value is 0.613 which means that about 61.3% of the dependent variable variation can be described by the independent variables selected in this study.

Table 4 Result of Multiple Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		В	Std. Error	Beta		
1	(Constant)	2.059	.136		3.157	.000*
	Online advertisements	0.460	.049	0.396	7.739	.000*
	Television Advertisements	0.201	.067	0.199	2.454	.017*
	Magazine Advertise- ments	0.376	.069	0.281	3.533	.001*

<sup>\*.</sup> Significant at p value <0.05 level, Model 1 F value=68.09, Dependent variable: Purchase intention

Table 5

## Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the
				Estimate
1	.741	.613	.601	.49223

Dependent Variable (b): Purchase Intention

As the above table indicates online advertisement is the independent variable among three variables. Based on the result, independent variables television, online and magazine advertisements have both positive relationships with purchase intention towards cosmetic products. After all, their P value is less than a significant value of 0.05. More importantly, regression analysis indicates that when there is a unit increase in online advertising, television advertisement and magazine advertisement, increase in purchase intention towards cosmetic products also manifests. Therefore, based on beta coefficients, this study indicates that for implementing an effective promotional mix, it is necessary for marketing agencies involved in promotion of cosmetic products need to utilize these three platforms effectively for promoting the product for their target customers.

## **Moderated Regression Analysis**

In this study celebrate endorsement has been considered as moderating variable that enhances the direction and nature of relationship between independent and dependent variable. Table below indicates the results

The Journal of Business and Managemen

**Table 6**Results of Moderated Regression Analysis

Model 2		Unstandardized Coefficients		Standardized Coefficients	,	G.
			Std. Error	Beta	t	Sig.
Main Effect	(Constant)	4.617	.206		33.157	0.000*
	Magazine advertisements	0.401	.049	0.786	12.739	0.010*
	Online line Advertisements	0.501	.058	0.433	10.239	0.017*
	Television Advertisements	0.202	0.43	0.167	7.342	0.034
	Celebrity endorsement	0.544	0.33	0.467	6.342	0.014*
Interaction Effect	Online advertisement × Celebrity endorsement	0.603	.034	0.547	17.342	0.002*
	Television advertisement × Celebrity endorsement	0.178	.029	0.104	9.434	0.030*
	Magazine advertisement × Celebrity endorsement	0.309	.0323	0.377	15.239	0.020*

<sup>\*.</sup> Significant at P value <0.05 level, Dependent variable: Purchase intention

**Table 7** *Model Summary* 

Model	R	R Square	Adjusted R Square	Std. Error of the
				Estimate
2	.801	.753	.703	.587

<sup>\*</sup>Model 1: F value=68.09, \*\*Model 2: F value change=19.92 R Square change: 0.14

Among different media advertisements, as illustrated in the table-6, celebrity endorsement significantly moderates the influence of online advertisement on purchase intention towards cosmetic products. Unstandardized beta coefficient of interaction effect of celebrity endorsement on online advertisement is 0.603; hence increase of 0.603 units in the purchase intention when online advertisement and celebrity endorsements interact with each other.

Moreover, there is a change in R Square from between model-1 (Multi-regression analysis) and model-2 (Moderated regression analysis), the results shows the increase in variation explained by the addition of the interaction term celebrity endorsement. In this study, the change in  $R^2$  is reported as .014. Hence, based on the data analysis, this study indicates that the percentage change in  $R^2$  is 14% (014 x 100 = 14%), percentage increase in the variation explained by the addition of moderating variable in the

equation. Hence, as moderated regression analysis indicates, celebrity endorsement has significantly and positively moderated the relationship purchase intention and different types of advertisements.

As Udovita and Hilal (2018) have indicated in their study that effective use of celebrity endorsement in advertisements influences purchase intention. Therefore, with the findings of moderated regression analysis, this study suggests to marketing agencies associated with skin and hair care cosmetics formulate a suitable promotional strategy with effective celebrity endorsement. More importantly, moderated regression analysis confirms with the study by Bergkvist and Zhou (2016) that celebrity endorsements significantly increase advertising effectiveness.

## **Discussion**

In this study, the relationship between purchase intention towards cosmetic products and online, magazine and television advertisements has been evaluated. Moreover, the data analysis in this study supports the conceptualization of purchase intention as cognitive behavior of a customer to purchase a product (Hosein, 2012). After all, respondents indicate that their purchase intention towards cosmetic products reflects cognitive influence based on celebrity endorsement presented through different advertising platforms. In this study, cognitive influence of celebrity endorsements has been reflected cognitively as attraction and credibility. Hence, this study shows that celebrity endorsement in the advertisement generates attraction and liking towards the product and this cognitive behavior eventually influences purchase intention.

As comparable with source credibility theory, this study also finds that the assertions delivered by celebrity endorsements are effective and valid when the customer accepts it as credible and trustworthy (Hovland & Weiss, 1951). Similarly, the findings of this study indicate that respondents are most influenced by celebrity endorsements presented through online advertisements. After all, the majority of respondents have come across cosmetic advertisements on online platforms and they are more influenced by celebrity endorsement in online platforms compared to other advertisement outlets. More precisely, this study also indicates that attractiveness of celebrity endorsement has persuasive effects that generate transformational motivation among customers to buy the product (Lord & Putrevu, 2009).

Since, online advertisements with celebrity endorsements have significant influence on the purchase intention towards cosmetics products; this study also recommends marketers to collaborate with celebrities on different online platforms to reach before enormous audience (Muda et al., 2017). With moderated regression analysis this study indicates as comparable with the study by Hussain et al. (2020) that celebrity enhances advertisement effectiveness. Similarly, in congruent with the study by Hani et al. (2018) this study also shows that cosmetic consumers are influenced by promotional activities that involve celebrity. Concerning, purchasing behavior of female consumers towards beauty products as comparable with the study by Junaid and Ahmed (2013), this study also finds that as the income of women have increased; they also purchase more cosmetic products and the sales of cosmetics also increases. Besides, the overall findings of this study is similar to Sonkusare (2013) that buying behavior of female consumers are significantly influenced by advertisement content and with moderating influence of celebrity endorsements, relationship between online advertisements together with television and magazine advertisements and purchase

intention of customers towards cosmetic products appear more pertinent, significant and effective.

Regarding international brand preference, this study indicates that most of the consumers prefer international brand cosmetics compared to local products. This research finding correlates with import data from the Department of Customs for the first quarter of fiscal year 2018-19, which indicate that the majority of beauty products and cosmetics were imported from China, India, Indonesia and Thailand (Prasain, 2019). This indicates most of the female consumers of cosmetic products find international brands more effective compared to local products. Hence, using international celebrity in cosmetic advertisements seems an obvious and apparent choice for advertising agencies and for this reason dubbed advertisements or advertisements with images of international celebrities are effectively utilized and disseminated for this purpose in different advertising platforms.

## **Conclusion and Recommendation**

As the study indicates, the international cosmetic brands have more demand compared to the local skin and hair care cosmetic products. The growing demand for cosmetic products is influenced by different types of advertisements through which consumers are attracted. Cosmetic industry is also connected with the film and fashion industry as consumers have profound knowledge about celebrity appearance and the trending fashion at a particular given time. Hence, celebrity endorsements are common features of cosmetic promotional mix.

Moreover, this study provides valuable insight towards the purchase intention of consumers associated with cosmetic products. As El Hedhli et al. (2021) indicate that internalization of celebrity image has positive influence on consumers' attitudinal and intentional responses to product category. This study also recommends implication to advertising agencies to use celebrity image effectively in different media advertisements. Besides, this study also recommends creative marketing strategies for exemplifying benefits of skin and hair care cosmetic products with effective celebrity endorsements. After all, inferential analysis in this study indicates celebrity endorsements have an important role in shaping the female consumers to purchase cosmetic products.

Even after the implementation of clean feed policy in Nepal, dubbed advertisements with Indian models and movie celebrities are still operating in Nepalese commercial channels. Besides, cosmetic products have also given enough space for Nepalese celebrities in their advertisements. Therefore, for further inquiry, this study flashes out a future study on understanding differentiated influence of Nepalese and Non-Nepalese celebrities regarding cosmetic products in the context of Nepalese consumer market to better understand the internalization of celebrity image. Similarly, this study has also flashed out further study for examining on the relationship between celebrity image and perception of beauty among female customers that influences them to purchase cosmetic products.

#### References

IBM

- Baniya, R. (2017). Components of celebrity endorsement affecting brand loyalty of Nepali customers. Journal of Business and Management Research, 2(1-2), 52-65.
- Baron, R. M., & Kenny, D. A. (1986). The moderator-mediator variable distinction in social psychological research: Conceptual, strategic, and statistical considerations. Journal of personality and social psychology, 51(6), 1173.
- Bergkvist, L., & Zhou, K. Q. (2016). Celebrity endorsements: a literature review and research agenda. International Journal of Advertising, 35(4), 642-663.
- Boateng, H., & Okoe, A. F. (2015). Consumers' attitude towards social media advertising and their behavioural response. Journal of Research in Interactive Marketing.
- Carlson, B. D., Donavan, D. T., Deitz, G. D., Bauer, B. C., & Lala, V. (2020). A customer-focused approach to improve celebrity endorser effectiveness. Journal of Business Research, 109, 221-235.
- Chaudhary, U., & Asthana, A. (2015). Impact of celebrity endorsements on consumer brand loyalty: Does it really matter? International Journal of Scientific and Research Publications, 5(12), 220-225.
- Choi, S. M., & Rifon, N. J. (2012). It is a match: The impact of congruence between celebrity image and consumer ideal self on endorsement effectiveness. Psychology & marketing, 29(9), 639-650.
- Dom, S. M. S. M., Ramli, H. S. B., Chin, A. L. L., & Fern, T. T. (2016). Determinants of the effectiveness of celebrity endorsement in advertisement. The Journal of Developing Areas, 50(5), 525-535.
- El Hedhli, K., Zourrig, H., & Becheur, I. (2021). Celebrity endorsements: Investigating the interactive effects of internalization, identification and product type on consumers' attitudes and intentions. Journal of Retailing and Consumer Services, 58, 102260.
- Fatima, S., & Lodhi, S. (2015). Impact of Advertisement on Buying Behaviours of the Consumers: Study of Cosmetic Industry in Karachi City. International journal of management sciences and business research.
- Gauns, K. K., Pillai, S. K. B., Kamat, K., Chen, R. F., & Chang, L. C. (2018). Impact of celebrity endorsement on consumer buying behaviour in the state of Goa. IIM Kozhikode society & management review, 7(1), 45-58.
- Hani, S., Marwan, A., & Andre, A. (2018). The effect of celebrity endorsement on consumer behavior: Case of the Lebanese jewelry industry. Arab Economic and Business Journal, 13(2), 190-196.
- Hosein, N. Z. (2012). Measuring the purchase intention of visitors to the auto show. *Journal of management* and marketing research, 9(1), 1-17.
- Hovland, C. I., Janis, I. K. & Kelley, H. H. (1953). Communication and Persuasion. New Haven, CT: Yale University Press.
- Hovland, C. I., & Weiss, W. (1951). The influence of source credibility on communication effectiveness. The Public Opinion Quarterly, 15(4), 635-650.
- Hussain, S., Melewar, T. C., Priporas, C. V., Foroudi, P., & Dennis, C. (2020). Examining the effects of celebrity trust on advertising credibility, brand credibility and corporate credibility. Journal of Business Research, 109, 472-488.

IBM

- Jaffari, S. I. A., & Hunjra, A. I. (2017). Mediating impact of celebrity endorsement in relationship of celebrity characteristics and consumers purchase intention. Abasyn Journal of Social Sciences, 10(2).
- Johnson, R. B., & Christensen, L. (2017). Validity of research results in quantitative, qualitative and mixed research. Educational research quantitative, qualitative, and mixed approaches. California: *United States of America: SAGE*, 306-10.
- Junaid, A. B., & Ahmed, F. (2013). A study on the purchase behavior and cosmetic consumption pattern among young females in Delhi and NCR. Journal of Social and Development Sciences, 4(5), 205-211.
- Khandai, S., & Agrawal, B. (2012). Efficacy of celebrity endorsement advertisements and its impact upon consumers' brand preference and purchase decisions: an Indian perspective. International Journal of Knowledge, Culture and Change Management, 11(4), 258-272.
- Knoll, J., & Matthes, J. (2017). The effectiveness of celebrity endorsements: a meta-analysis. Journal of the Academy of Marketing Science, 45(1), 55-75.
- Lord, K. R., & Putrevu, S. (2009). Informational and transformational responses to celebrity endorsements. Journal of Current Issues & Research in Advertising, 31(1), 1-13.
- McGuire, W. J. (1985). Attitudes and attitudes change. *The Handbook of Social Psychology*, 233-346.
- Muda, M., Musa, R., & Putit, L. (2017). Celebrity endorsement in advertising: A double-edged sword. Journal of Asian Behavioural Studies, 2(3), 21-32.
- Nysveen, H., & Breivik, E. (2005). The influence of media on advertising effectiveness a comparison of internet, posters and radio. International Journal of Market Research, 47(4), 381-404.
- Ohanian, R. (1991). The impact of celebrity spokesperson's perceived image on consumers' intention to purchase. Journal of Advertising Research 31 (1), 46-52.
- Osei-Frimpong, K., Donkor, G., & Owusu-Frimpong, N. (2019). The impact of celebrity endorsement on consumer purchase intention: An emerging market perspective. Journal of marketing theory and practice, 27(1), 103-121.
- Pokharel, A., & Pradhan, B. (2017). Influence of Celebrity Endorsement on Consumers' Buying Behavior of Fast Moving Consumer Goods in Kathmandu. Journal of Business and Social Sciences Research, 2(1-2), 1-14.
- Praet, C. (2001, June). Japanese advertising, the world's number one celebrity showcase? A cross-cultural comparison of the frequency of celebrity appearances in TV advertising. In Proc. of the 2001 Special Asia-Pacific Conference of the American Academy of Advertising/M. Roberts and RL King (Eds.). Japan: Kisarazu (pp. 6-13).
- Prasain K. (2019, January 19) Market for cosmetic products looks good. The Kathmandu Post. https:// kathmandupost.com/money/2019/01/15/market-for-cosmetic-products-looks-good
- Qureshi, M. M., & Malik, H. M. (2017). The impact of celebrity endorsement on consumer buying behavior. Advances in Social Sciences Research Journal, 4(3).
- Rahman, R. (2018). Building brand awareness: The role of celebrity endorsement in advertisements. *Journal of Global Scholars of Marketing Science*, 28(4), 363-384.

IBM

- Sama, R. (2019). Impact of media advertisements on consumer behaviour. Journal of Creative *Communications*, 14(1), 54-68.
- Saunders, M., Lewis, P., & Thornhill, A. (2012). Research methods for business students (6. utg.). Harlow: Pearson.
- Sonkusare, G. (2013). Impact of television advertising on buying behavior of women consumers' [With special reference to FMCG Products] Chandrapur city. International Journal of Business and Management Invention, 2(3), 31-38.
- Till, B. D., & Busler, M. (2000). The matchup hypothesis: physical attractiveness, expertise and the role of fit on brand attitude, purchase intent and brand beliefs. Journal of Advertising, 1-13.
- Udovita, P., & Hilal, M. M. (2018). Factors determining celebrity endorsement and impact on brand loyalty: A Sri Lanka based study on cosmetic advertising. SEUSL Journal of Marketing, 3(2).
- Wang, S. W., Kao, G. H. Y., & Ngamsiriudom, W. (2017). Consumers' attitude of endorser credibility, brand and intention with respect to celebrity endorsement of the airline sector. Journal of Air Transport Management, 60, 10-17.
- Wei, K. K., Jerome, T., & Shan, L. W. (2010). Online advertising: A study of Malaysian consumers. *International Journal of Business and Information*, 5(2).