ABSTRACT

This study has been undertaken with the prime objective to test the role of endorser credibility and brand equity in influencing repurchase intention of consumers of L’Oreal Paris cosmetics products in India. In this study there is one dependent variable (Repurchase Intention) and two independent variables (Endorser Credibility and Brand Equity). The researcher aims to find which one of the two selected independent variables (brand equity or endorser credibility) of the study plays a more important role in influencing consumers repurchase intention. For conducting this study endorser credibility has been divided into three factors which are attractiveness, trustworthiness and expertise based on tri-component celebrity endorsement credibility scale which was developed by (Ohanian, 1990). For brand equity the researcher has adopted the concept of consumer-based brand equity as per which brand equity consists of four dimensions which are brand awareness, brand loyalty, brand association and perceived quality (Aaker, 1991; Yoo and Donthu, 2001).

The data for conducting this study were collected through a questionnaire survey of 430 respondents in selected areas of Pune, Maharashtra, India, from 30th September 2013 to 18th October 2013. A total of 400 respondents were selected as accurate target population based on one screening question. In this study the entire data are analyzed through SPSS Pearson Correlation Coefficient Test is utilized to test the relationship between each variable.

The researcher found that there exists a high positive relationship between brand equity and repurchase intention. In terms of brand equity dimensions, brand loyalty was found to have the strongest relationship with repurchase intension (.775), followed by perceived quality (.719), brand association (.679) and brand awareness (.554). On the other hand a low positive relationship was discovered between endorser credibility dimensions and repurchase intension. In terms of endorser credibility dimensions, trustworthiness was found to have low positive relationship with repurchase Intention (.309), followed by expertise (.285) and attractiveness (.244) respectively.

From the findings the researcher concludes that it is very essential for the companies to focus more on their product attributes and brand equity dimensions in order to influence the repurchase intention of their consumers rather than entirely on celebrity endorsements.