



A Study of the Relationship between Endorser Credibility, Brand Equity and  
Repurchase Intention of L' Oreal Paris Products in India

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A Thesis Submitted in Partial Fulfillment of the Requirements  
for the Degree of Master of Business Administration in Marketing  
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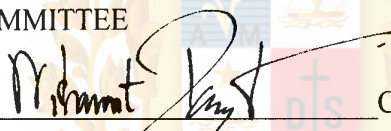
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The Graduate School of Business, Assumption University, has approved this thesis as a partial fulfillment of the requirements for the Degree of Master of Business Administration in Marketing.

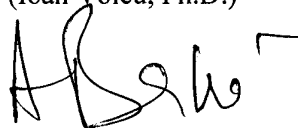
  
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## ABSTRACT

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 30<sup>th</sup> September 2013 to 18<sup>th</sup> 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.

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Deepa Sharma

20<sup>th</sup> June 2013

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# CHAPTER 1

## GENERALITIES OF THE STUDY

### 1.1 Introduction of the study

Since competition and costs of creating a new customer base is increasing tremendously day by day, business organizations have started concentrating on defensive strategies in order to protect their existing customer base and remain in the competition. Customers' repurchase intention is one of the prime defensive marketing strategies which focus on convincing existing consumers to rebuy their products. There are various tools which can be used effectively in order to persuade consumers to perform a repurchase action. For this study the researcher has opted for two most essential factors which play a very important role in influencing repurchase intention of consumers, these are brand equity and celebrity endorsements.

India is a country which is flooded with an immense variety of brands whether local, national or international; due to this scenario it has become difficult for companies to differentiate their brands from competitors in the market. Gone are the days when survival was possible merely on the basis of inherent product attributes. Although advertising is a powerful marketing tool for creating awareness and promoting products, it may not directly influence the repurchase intention of consumers until and unless it has some x-factor attached to it. Therefore, in order to make advertisements more effective, attractive and influential, companies hire celebrities to endorse their brands. Consumers are always excited about celebrities, and in a country like India the love of Indians towards celebrities is legendary. This is why celebrity endorsements are gaining immense popularity and India has become a celebrity-obsessed society.

Advertisers have a strong belief that celebrities are capable of selling almost any product, be it a dishwasher liquid or a piece of expensive jewelry. 25% of the total advertisements in western countries have celebrity involvement but this percentage is much higher in India where 60% of the total advertisements are aired using a celebrity factor in it (Shimp, 2000). A top celebrity in India has around 25 endorsements under his belt. Therefore, celebrity endorsements automatically become a relevant field of research in India. One of the most common and key streams of research in the field of celebrity endorsements is the source

credibility dimension which primarily targets the various characteristics of a celebrity source. This tri-component celebrity endorsement credibility scale was developed by (Ohanian, 1990) and has been well cited in the celebrity endorsement literature. According to (Ohanian, 1990) the credibility of a celebrity depends upon different attributes such as attractiveness, trustworthiness and expertise. If a celebrity is capable of becoming an expert, generating trust and attracting consumers then he will surely leave a long lasting affect in the minds of consumers and will definitely influence their purchase decision.

The present study is based on Ohanian's source credibility scale with an objective to find out the extent to which consumers are affected by celebrities in influencing their repurchase intention of a commodity. Every beauty or cosmetic brand these days has a well-known and good looking celebrity associated with it who serves as a brand ambassador, this happens because celebrities are considered to be influential figures in the society who are capable of drawing consumers attention and dominating the media. The celebrity who has been chosen to conduct this study is Mrs. Aishwarya Rai Bachchan who has been endorsing the brand L'Oréal Paris in India since the time the company made its first appearance into the country's market.

### **Celebrity Endorser (Aishwarya Rai Bachchan)**

Aishwarya Rai Bachchan is often cited by the global media as the "most beautiful" woman in the world (<http://www.imdb.com/list/fWtZXJpTG4s/>, Retrieved on: 09/11/2013). At an early age of seventeen she won the Ford supermodel contest and appeared thrice on the cover page of Vogue Magazine. The year 1994 was the most outstanding year of her career when she won the crown of miss world and became a well-known face all over. No doubt Aishwarya is one of the rarest blend of beauty and brains India has ever produced till date.

Today, she is one of the known ambassadors in the country and also one of the highly paid film celebrities of India. As per glamor industry analysis Aishwarya earns an annual income of INR Rs. 1 billion from her endorsement contracts. Aishwarya has always been associated with well-known and popular brands such as Longines watches, L'Oréal, Lakmé Cosmetics, Palmolive, Lux, Coca-Cola, Casio, Philips Electronics, Fuji films and Kalyan Jewellers. She has been endorsing Swiss luxury Longines watches, L'Oréal Paris products and International soap Lux for more than a decade now, this is the true symbol of a reliable, loyal and dedicated endorser (<http://www.bollywood.com/aishwarya-rai-still-rides-high-international-endorsements>, Retrieved on 02/06/2013).



**Figure 1.1:** Celebrity Endorser for L'Oréal Paris, India (Mrs. Aishwarya Rai Bachchan)



Source: <http://www.aishwarya-spice.com/gallery/thumbnails.php?album=1338>, Retrieved on 15/06/2013

### **L'Oréal Paris**

L'Oréal Paris is one of the leading cosmetics companies which provides a wide variety of cosmetic products for both men and women. The company was created in 1909 by, a young French chemist named Eugène Schueller who initially developed a hair color formula called Auréale. In 2009 L'Oréal Paris celebrated its centenary signifying its glorious successful years. The main products offered by L'Oréal Paris are hair color, hair care, skin care, make-up and styling. The company has an unbeatable portfolio consisting of 23 international brands under its umbrella; it owns the most popular brands in the cosmetic world such as Maybelline New York, Garnier, Essie, Sofsheen Carson etc. L'Oréal Paris is present in 130 countries worldwide with its head office located in Paris, France. The company earned total sales of 22.5 billion Euros in the year 2012 and employs over 66000 people worldwide. (<http://www.linkedin.com/company/loreal>, Retrieved on 01/06/2013).

L'Oréal Paris is well recognized globally for its ethical business practices, corporate social responsibility and sustainable business development. It is considered to be one of the

most sustainable business corporations in the world among 100 other corporations globally. This distinction has been awarded to L'Oréal Paris for the fifth consecutive year. In 2012 L'Oréal Paris was nominated as one of the “world’s most ethical companies” (<http://www.loreal.com/who-we-are/awards-recognitions/one-of-the-most-ethical-companies-in-the-world.aspx>, Retrieved on 06/12/2013); this truly indicates the strong values, principles and ethical standards being followed at L'Oréal Paris.

**Figure 1.2: L'Oréal Paris Products**



Source: <http://www.lorealparis.co.in/whats-new/cosmetics.aspx>, Retrieved on 21/06/2013

L'Oréal Paris is present in India in for more than 15 years now and is one of the fastest growing international subsidiaries. It employs over 1000 people across the country; it has four regional offices and a headquarters which is located in the commercial capital of India which is Mumbai. Ever since the company has started promoting its brand in India Aishwarya Rai is the name which has been affixed to L'Oréal Paris.

### **Aishwarya Rai Bachchan and L'Oréal Paris**

Aishwarya Rai Bachchan has always remained an integral member of L'Oréal Paris communication strategy across the global and mainly in India. Her 13 years of dedicated and committed bonding with the brand is truly remarkable. Aishwarya has also been representing L'Oréal Paris as its international endorser at the Cannes Film Festival for almost a decade now. She has proven to be iconic figure for the brand and has won the trust and appreciation of women all over the world and especially in India, Aishwarya is known to add international flavor to the brand in India.

**Figure 1.3:** Aishwarya Rai Bachchan and L'Oréal Paris



Source:<http://www.aishwarya-spice.com/gallery/thumbnails.php?album=1435>, Retrieved on 18/06/2013.

**Figure 1.4:** Aishwarya Rai Bachchan and L'Oréal Paris



Source: <http://www.aishwarya-spice.com/gallery/thumbnails.php?album=1435>, Retrieved on 21/07/2013

# Indian Cosmetic Industry

India owns a historical glowing heritage of cosmetics and beauty since times immemorial and in the coming few years it will become one of the largest cosmetics consuming countries due to its booming economy. The cosmetic industry of India came into limelight since 1991 due to crowning of many Indian women such as, Aishwarya Rai, Diana Hayden, Sushmita Sen, Yukta Mookhey, Priyanka Chopra and Lara Dutta as the most beautiful faces of the world. These women brought with them the trend of beauty and every Indian girl aspiring to become a beauty icon. Since then the demand for beautifying substances rose day by day and India became flooded with national and international cosmetic brands. Apart from the development of satellite television, constantly increasing television channels and increasing internet surfing have all positively contributed in updating Indian consumers about the latest cosmetic products in the market. Additionally, the ever popular Indian glamor and film industry are injecting growth in the cosmetic industry by making Indians realize the importance of beautiful and attractive looks.

The Indian cosmetic sector has always remained one of the unique sectors holding huge potential growth despite of the global economic recession. At present stage the Indian cosmetic industry is growing at an average rate of 20% annually and is expected to witness an impressive growth rate in the near future. This is due to the increasing purchasing power, growing fashion consciousness and rising beauty concerns between both men and women in India.

**Table 1.1:** Top leading Cosmetic Companies in India

1.	Lakmé
2.	Revlon
3.	Oriflame Cosmetics S.A. (Luxembourg)
4.	The L'Oréal Group
5.	Chambor cosmetic line
6.	Maybelline
7.	Avon Products, Inc.
8.	Make-up Art Cosmetics or MAC Cosmetics
9.	ColorBar cosmetics
10.	Street Wear

Source: <http://www.indianmirror.com/indian-industries/cosmetics.html>, Retrieved on 25/06/2013



According to many advertising agencies, celebrities possess the ability to lead the consumers till retail outlets to purchase the brand they are endorsing. But till when? This is the first question faced by the marketing manager while evaluating the marketing performance of his company and then immediately a second question strikes in mind. Are there any others factors which are equally capable of influencing consumer's purchase decision in a much economical and genuine way rather than always relying on celebrity endorsers? This is where the concept of brand equity comes into picture as a solution. In today's never ever ending competitive business scenario environment the concept of brand equity plays a very vital role for the marketers. It has become a source of strategic intelligence and one of the most valuable assets of every business organization. Achieving high brand equity levels for a brand helps to create positive impact in consumer's eyes and affects the brand's performance in various directions such as consumer preferences, purchase intention, buyer's willingness to pay premium prices, profit margin, market share and brand extension possibilities. Therefore, the main purpose of brand equity is to measure total value of a brand, and hence this is the reason why many practitioners examine the concept of brand equity.

Brand equity has been referred to as the enormous value which a brand develops through consumers, producers, wholesalers and retailers of the brand (Baldinger, 1990; Aaker, 1991; Keller, 1993). Brand equity is determined through overall perception of the brand in the minds of consumers which may further be influenced by many other factors. (Aaker, 1991) have explained the contributing factors which lead to the formation of brand equity asset for a business organization. These factors are known as dimensions of brand equity and have been broadly classified into four categories which are brand awareness, brand loyalty, perceived quality and brand association. (Aaker, 1991) stated these factors provide a helping platform for business houses to compete better and widen their earning areas through increasing market share. Together these dimensions are also termed as consumer-based brand equity (Yoo and Donthu, 2001). This concept of brand equity has been adopted for conducting this research study; brand equity is defined as the extent to which a consumer may relate and associate himself with a brand in terms of its quality and thereby being aware, loyal and associated with the brand (Pappu *et al.*, 2006).

Many studies have been conducted till date to discover the relationship between brand equity and endorser credibility and in examining the role of endorser credibility in developing consumer-based brand equity and influencing brand credibility; apart from this studies have also been undertaken separately to identify the role of brand equity and endorser credibility in

influencing repurchase intention of consumers but mostly endorser credibility has been studied as a moderating variable. This study aims to combine brand equity and endorser credibility as independent variables and to study their contributing effects in influencing repurchase intention of consumers. To accomplish this study brand equity of L'Oréal Paris products and endorser credibility of Mrs. Aishwarya Rai Bachchan is examined in Pune city, Maharashtra, India.

## **1.2 Objectives of the study**

The prime objective of this study is to test the role of endorser credibility and brand equity in influencing repurchase intention of consumers of L'Oréal Paris cosmetics products in India.

- To explore the relationship between endorser credibility and repurchase intention.
- To find out which is the most crucial factor of endorser credibility among attractiveness, trustworthiness and expertise in influencing repurchase intention.
- To identify the relationship between brand equity and repurchase intention.
- To investigate which dimension of consumer-based of brand equity among brand awareness, brand loyalty, brand association or perceived quality has the most significant affect on repurchase intention.
- To examine which one of the two selected variables of the study which are endorser credibility and brand equity plays a more important role in influencing consumers repurchase decision.

## **1.3 Statement of the Problem**

In this world where almost every moment something changes, the existing trend fades away and a new trend walks in. Similar is the case with beauty trends; if we talk about beauty trends, then there has been a drastic change since the past 10 years. Some products brought a revolution, some just faded away and some products are still maintaining their survival in the market. According to advertisers one most important survival mantra for cosmetic companies would be hiring celebrities as endorsers and hence we see that every cosmetic product brand

these days has a well-known and good looking celebrity associated with it who serves as a brand ambassador.

L'Oréal Paris one the leading cosmetic companies has adopted this strategy of hiring endorser celebrities for promoting its products and its doing wonders for the company but then at the same place the company has survived for more than a centenary and there are many other factors which have contributed to this long term existence such as loyalty of the consumers towards the brand, its awareness worldwide, the excellent quality which the brand offers and the extent to which its consumers have perfectly associated themselves with the brand. To sum up all these factors blend under a single term known as brand equity. Brand equity is not only essential for L'Oréal Paris but today it has become one of the most valuable assets for all business organizations.

The major problem of this study is to find out which one of the two selected independent variables (brand equity or endorser credibility) 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, 1990; Yoo and Donthu, 2001).

Research Questions are as follows:

1. Is there a significant relationship between brand equity and repurchase intention?
2. Is the repurchase intention towards L'Oréal Paris products in India correlated with consumers perception of endorser credibility?
3. Which endorser credibility factor (attractiveness, trustworthiness or expertise) has the most significant influence on customers repurchase intention?
4. Which dimension of brand equity (brand awareness, brand loyalty, brand association or perceived quality) has the most crucial affect while influencing consumers repurchase intention?

## 1.4 Scope of Research

The scope of this research is to study the repurchase intention of Indian consumers towards L'Oréal Paris products in Pune City, Maharashtra, India. The researcher focuses on relationship study and therefore aims to find the relationship of brand equity and endorser credibility towards repurchase intention. The researcher used a questionnaire survey to gather data for conducting the study. The study was organized in a research context by using Indian consumers who had experienced using L'Oréal Paris products as respondents. The sample size for this study is 430 respondents (only females).

The dependent variable in this research is repurchase intention. Endorser credibility and brand equity are independent variables. Endorser credibility variable is divided into three factors which are attractiveness, trustworthiness and expertise based on (Ohanian, 1990) source credibility scale. For brand equity the researcher has adopted the concept of consumer-based brand equity according to which brand equity comprises of four unique dimensions which are brand awareness, brand associations, perceived quality brand and loyalty. The questionnaire has been developed from the studies of (Ohanian, 1990; Aaker, 1991; Dodds *et al.*, 1991; Yoo and Donthu, 2001 ).

## 1.5 Limitations of the study

There are some limitations in this research which are as follows:

Firstly, this research has been conducted in only selected areas (Camp area and Laxmi road) of one city (Pune, Maharashtra, India) due to time, money and manpower hindrances. People living in different parts of the region may have different views towards L'Oréal Paris Products and may perceive Aishwarya Rai Bachchan (celebrity endorser for this study) from a different angle altogether. Therefore, the results of this study cannot be applied to the country as a standard.

For this study the researcher has specifically focused on L'Oréal Paris cosmetics products and its celebrity endorser, there are many other brands such as Revlon, Lakmé, Maybelline etc. on which similar studies can be initiated.

Although there are many other factors which influence the repurchase intention of consumers, this study focuses on only two independent variables which are endorser



credibility (attractiveness, trustworthiness or expertise) and brand equity (brand awareness, brand loyalty, brand association or perceived quality). The other variables which may be considered are price, consumer satisfaction, brand image, word of mouth etc.

Lastly this study may not be applied to other time periods; it will only be subjected to the time period when the researcher collected data i.e. from 30<sup>th</sup> September to 20<sup>th</sup> October, 2013. The results and analysis may conform to only this time period because the respondents may eventually experience changes due to change in their ideas, feelings or through changes in the external environment.

### **1.6 Significance of the study**

Firstly, this study would assist in knowledge creation, theory development and serve as a useful guide for the Indian cosmetic sector. In a country like India where people are almost crazy about celebrities and want to imitate their looks and lifestyles in every way possible, this study would help L'Oréal Paris as a company to understand its overall picture in the eyes of consumers in terms of its product awareness, brand loyalty, brand association and perceived quality. The study will even support the marketing managers of L'Oréal Paris in understanding the extent to which the company survives on the basis of the product's endorsements by the relevant celebrity endorser (Aishwarya Rai Bachchan) who has been associated with the brand since past 13 years. This research will also assist the brand managers of L'Oréal in gaining better insights into brand equity and celebrity endorsement strategies and their effect on repurchase intention, further releasing the significance of brand building and how to improve and expand the position of their brand in the market and compete effectively with the ever growing national and international competitors in the cosmetic sector. Further, results of this study will also benefit the advertisers in India in understanding the present scenario of advertisement sector in terms of celebrity endorsements and their influential effects on consumers. It will help the advertisement agencies in developing effective advertising strategies to appeal the repurchase intentions of its target customers.

## 1.7 Definitions of terms

**Brand Equity:** It refers to the additional value which a product receives from its brand (Farquhar, 1989). Brand equity can further be divided into four following dimensions.

- **Brand Association:** It refers to the real meaning of the brand in the eyes of consumers and consists of multiple ideas, instances and facts developed by consumers regarding the brand. (Keller, 1993).
- **Brand Awareness:** The power of a brand's solid existence and recognition in the minds of consumers. (Aaker, 1991).
- **Brand Loyalty:** The extent to which the consumers are inclined towards a particular brand and this may be manifested by their desire to repurchase that brand as their first choice (Yoo and Donthu, 2001).
- **Perceived Quality:** It means the overall self-made judgment or opinion of the consumer towards brand which may consists of positive or negative feelings about the brand in terms of its quality (Zeithaml, 1988).

**Endorser credibility:** The degree to which the endorser can be trusted and is considered to be an expert in relevance to the message communicated by him to the target audience (Goldsmith *et al.*, 2000; Ohanian, 1990). Endorser credibility can be divided into three factors; attractiveness, expertise and trustworthiness.

- **Attractiveness:** It refers to how pleasing, friendly and similar the source is to the audience. (McCracken, 1989).
- **Expertise:** The degree to which the source is sensed to be well-informed and knowledgeable about the brand being advertised (Dholakia and Sternthal, 1977).
- **Trustworthiness:** It refers to the level to which the source is comprehended to be impartial, objective and reliable by the audience viewing him or her. (Dholakia and Sternthal, 1977; Ohanian, 1991).

**Endorser Celebrity:** An endorser celebrity refers to an individual who has a clearly defined personality and reputation (Pringle and Les, 2005).

**Repurchase Intention:** the likelihood of a consumer to rebuy a product or service from the same company, considering his requirement, situation and circumstances (Hellier *et al.*, 2003).



## **CHAPTER 2**

### **LITERATURE REVIEW**

In this chapter, the researcher discussed the theories and concepts which are related to variables included in this study. The researcher focuses on studying the relationship between endorser credibility, brand equity and repurchase intention towards L'Oréal Paris products in India. Variables associated with brand equity, repurchase intention and endorser credibility are intrinsic to many theoretical models. This chapter is basically composed of three sections which are theory, related literature review and previous studies. The first section which is theory includes definitions and ideas from other researches. The second section which is related literature review contains the relationship among selected variables studied by previous researchers. The last section provides concise information on some related previous studies which includes their key findings.

#### **2.1 Theory**

##### **2.1.1 Repurchase Intention**

Purchase intention refers to the probability that a customer in situation of purchase will choose the specific brand from a product category (Crosno, Freling, and Skinner, 2009). According to decision making model once the consumer chooses a particular product or service the next step involves purchasing the selected product or service. This purchasing part of the model is affected by various other factors such as price, quality and other conditions which may exist in the market place (Dalrymple and Parsons, 2000). Purchase intention is commonly known as predictor of subsequent purchase (Nevin and Houston, 1980).

Repurchase intention has been defined as probability and possibility of the consumer to repurchase the product (Lutz *et al.*, 1983). Hellier *et al.* (2003) defined repurchase intention as the likelihood of a consumer to rebuy a product or service from the same company, considering his requirement, situation and circumstances. Repurchase intention has been quite frequently used to study consumer behavior in related studies. According to Fishbein and Ajzen (1975) repurchase intention is a subjective tendency of a consumer inclining towards a particular product or service and this tendency can be used to study and



predict the future purchasing behavior of consumers. Repurchase intentions are customer's subjective views about their own behavior in the future which may not be same as the actual repurchase patterns (Rust, Zahorik and Keiningham, 1995).

Dodd *et al.* (1991) defined repurchase intention as the consumer's desire or possibility of repurchasing a similar product. Repurchase intention is an effective measure which can be used to foresee response reactions of consumers while purchasing similar commodities frequently (Li, Daugherty and Biocca 2002).

Kotler (2000) indicated that consumer repurchase behavior can be analyzed when consumers start performing certain internal and external actions (such as choosing a specific brand, retailer, marketplace, quality, buying in certain quantity etc.). Further it has even been proved that consumers make their purchase choices based on their personalities, attributes, qualities and these factors greatly influences their process of decision making. This clearly signifies that consumers' choice of a product and brand does have an effect on their repurchase behavior. Dodds and Grewal (1985) suggested that when a consumer starts generating an intention to buy a product or service then it is a propensity that the consumer will ultimately end up buying that product in order to meet his desire. For business organizations to survive successfully in the ever growing ferocious competitive environment, it is important for them to anticipate consumer's future behavior appropriately in order to develop effective and winning business strategies.

For conducting this study the researcher has concentrated more on repurchase intention rather repurchase behavior, as repurchase intention has broader implications and significance and is known to leave an positive effect on consumers repurchasing process (Ajzen and Driver, 1992; Pierre *et al.*, 2005;). This notion of emphasizing more on consumers intention has been confirmed by many scholarly personalities who have studied the importance of repurchase intention in influencing consumption of that brand (Zeithaml, 1988; Dubois and Paternault, 1995; Yoo and Lee, 2009).

### **2.1.2 Endorser credibility**

#### **2.1.2 Endorser credibility**

Credibility is defined as a set of perceptions that a receiver holds towards a source (Bush, William and Zeithaml 1987). In marketing terms endorser refers to an individual who associates him/herself with a particular brand (Kamen, Abdul and Juidth, 1975). McCracken (1989) stated that endorsers involvement with a brand may be explicit where the endorser wants to gain more popularity via a brand (I endorse this product), implicit where the endorser has a serious involvement with the brand (I use this product), or (co-present) where the endorser merely appears in the advertisement for existence sake. Endorser credibility has been defined as: "attitude towards an endorser of communication held at a given time by a receiver" (McCroskey and Thomas, 1981). Ohanian (1990) operationalized endorser credibility the degree to which the endorser can be trusted and is considered to be an expert in relevance to the message communicated by him to the target audience.

Nowadays there are many marketing and brand firms which are dedicated to the management of human brands; human brands can be defined as any familiar and well-recognized person who can be the target for an advertisement subject and the development of building emotional relationships with consumers (Thomson 2006). A celebrity refers to an individual who has a "clearly defined personality and reputation" (Pringle and Les, 2005). Celebrities are known for a special skill in a specific field which has brought them into the public's spotlight. Celebrity endorsements have widely gained popularity in recent advertising campaigns (Slinker, 1984). Celebrity endorser refers to any individual who enjoys public acknowledgement to a huge extent and utilizes this recognition by associating him or herself with a brand through appearing in an advertisement in order to promote that commodity (McCracken, 1989). Moreover, an endorsement by a celebrity refers to the testimonial use, promotion or association with a product or service (Swordlow 1984). According to (McCracken, 1989) some celebrity endorsements are more successful than others because of a perfect match between the celebrity and the commodity being endorsed. Branding is known for attaching a "label" and "meaning" to a product, service, person, and other marketable things (Keller 1998). For brands to maintain their places in the marketplace and to improve in preferences of consumers, celebrities as endorsers provide brands instant fame and credibility (Pringle 2004).

Atkin and Martin (1983) believed that celebrity endorsers are popular with marketers and advertisers because they possess attractive and appealing attributes; in addition, their popularity attracts attention to the products being endorsed. Celebrity endorsements are well-known for extending brand recognition and brand recall, increasing advertising effectiveness

and positively influencing repurchase intentions of consumers. Studies have even evidenced that celebrities are capable of developing a positive attitude of consumers towards the brand being endorsed by them (Till *et al.*, 2008). Some of the most popular product categories endorsed by these celebrities are fast moving consumer goods, consumer durables, consumer electronics and services (Adex India, 2011).

Therefore, the use of a celebrity endorser is very common in advertising and research has found celebrities to be more effective than other types of endorsers (Friedman and Friedman 1979; Atkins and Martin 1983; Agrawal and Wagner 1999; Silvera and Benedikte 2004; Amos, Holmes and Strutton 2008).

**Ohanian’s Endorser Credibility Scale**

Ohanian (1990) combined two most important celebrity endorsements models which are Source Credibility model (Hovland *et al.*, 1953) and Source Attractiveness Model (McGuire, 1985) and developed a tri-factor celebrity endorser credibility scale in order provide a more clearer, reliable, valid and practical viewpoint towards celebrity endorsements studies. As per Ohanian’s Endorser Credibility Scale the credibility of an endorser can be judged by evaluating his certain attributes such as the degree to which the endorser is perceived to be attractive, trustworthy and an expert by the target audience viewing him/her.

**Table 2.1:** Source Credibility Scale

Attractiveness	Trustworthiness	Expertise
- Attractive – unattractive	- Dependable – undependable	- Expert – not an expert
- Classy – not classy	- Honest – dishonest	- Experienced - inexperienced
- Beautiful – ugly	- Reliable – unreliable	-Knowledgeable - unknowledgeable
- Elegant – plain	- Sincere – insincere	- Qualified – unqualified
- Sexy – not sexy	- Trustworthy – untrustworthy	- Skilled – unskilled

**Source:** Ohanian, R. (1990). Construction and validation of a scale to measure celebrity endorser’s perceived expertise, trustworthiness and attractiveness. *Journal of Advertising*, 39-52.

Ohanian’s Endorser Credibility Scale has become a benchmark for conducting studies based on celebrity endorsements. Pornpitakpan (2003) conducted a research based Ohanian’s (1990) celebrity endorsers’ credibility scale in China by involving four Chinese celebrities

and collected his data by distributing questionnaires in Singapore among 880 undergraduates as respondents, the results of his study clearly stated that the Ohanian's Endorser Credibility can be used effectively in order to reduce the costly faults in selecting inappropriate celebrities.

The researcher has used Ohanian's Endorser Credibility Scale as a stepping stone for conducting this study by including the attributes which are trustworthiness, expertise and attractiveness.

### **Attractiveness:**

Physical attractiveness is one of the very essential factors for which celebrities are hired for endorsing a product. It simply means how pleasing, friendly and familiar the endorser is perceived to be by the consumers (McCracken, 1989). The degree of endorser's attractiveness helps in deciding the effectiveness level of the message being communicated by him, this leads to the process of identification which takes place when the audience start relating the endorser with the advertisement (Cohen and Golden, 1972). Singer (1983) stated that the main reason behind selecting attractive endorsers is that they provide dual benefits, firstly the recognition and the popularity which the celebrity is associated with and secondly the physical appeal which is a key factor in drawing mass attention. Studies have even indicated that attractive endorsers possess the capability of influencing purchase decision of consumers and changing their attitudes and opinions towards a brand (Friedman et al, 1976; Petroschius and Schuman, 1989; Petty and Cacioppo, 1980; Baker and Churchill, 1977; Chaiken, 1979; Debevec and Kernan, 1984). Attractiveness is an informational cue which is difficult to detect and may vary from person to person and even culture to culture; many a times human-beings exaggerate their own views about attractiveness as a result of which attractive endorsers are viewed more effective than average looking endorsers (Patzner, 1985).

### **Trustworthiness:**

Trustworthiness can be defined as the level to which the source is comprehended to be impartial, objective and reliable by the audience viewing him or her as the extent to which the source is perceived to be impartial, honest and objective by the audience (Dholakia and Sternthal, 1977; Ohanian, 1991). Erdogan (1999) expressed that trust is associated with much wider terms such as reliability, integrity, objectivity, honesty, sincerity; therefore an endorser needs to satisfy all these terms in order to be regarded as trustworthy by the target audience.



Dependability is a factor on which most the advertisers capitalize while selecting trustworthy endorsers (Shimp, 1997). Friedman et al. (1978) founded that endorsers are perceived to be trustworthy if they are liked by the audience therefore likeability was considered to be an important attribute of trustworthiness; moreover in terms of endorser credibility trust was the most crucial factor hence it is advisable for the advertising agencies to opt for well-liked celebrity endorsers. According to Ohanian (1991) even though celebrity endorsers may be perceived to be trustworthy by the audience, they are but still not effective in influencing consumers purchase decisions. Untrustworthy celebrity endorsers are often viewed as doubtful sources despite their other caliber such as attractive appearance, good looks etc. (Smith, 1973). Ethnicity was yet another factor that influenced trustworthiness, and a study by Desphande and Stayman (1994) revealed that while conducting studies in Asian countries ethnicity should be primarily taken into consideration because people in such countries are more inclined towards endorsers who belong to their ethnic groups in terms of trust and likeability.

### **Expertise:**

Expertise means the degree to which the source is sensed to be well-informed and knowledgeable about the brand being advertised (Dholakia and Sternthal, 1977). Expertise is a much wider term which requires the endorser to inculcate various qualities such as skills, intelligence, experience, talent, awareness and knowledge about the brand being endorsed. In terms of celebrity endorsements the endorser need not necessarily be a real expert but he must possess the quality of communicating the message in terms of validity and genuineness (Ohanian, 1991). However hiring actual experts as endorsers does help in influencing repurchase intentions of consumers to a large extent when compared to a non-expert endorser moreover endorsers owning expertise attribute automatically assists in enhancing the commercial value of the advertisement (Ohanian, 1991; Aaker and Myers, 1987). Studies have also indicated that expert and trustworthy endorser celebrities have the quality of generating higher recall and recognition of the brand and are perceived to be more credible by the target audience (Hass, 1981; Sternthal, Phillips, & Dholakia, 1978; Speck *et al*, 1988). While comparing trustworthy and expert endorsers, trustworthy endorsers were discovered to be more efficient in changing consumers attitude and opinions (McGinnies & Ward, 1980). On the contrary, Ohanian (1991) found that expertise and not trustworthiness was a significant predictor of purchase intentions.



### 2.1.3 Brand Equity

Farquhar (1989) defined brand equity as the additional value which a product receives from its brand. When consumers start forming positive impressions of a brand by frequently purchasing it, there comes a time when they are ready to pay a higher price for the same brand this is when brand equity is developed and hence considered to be the most valuable asset of a business organization (Bello and Holbrook, 1995). Brand equity as an asset has the potential to influence consumer behavior in various ways and many marketers view it as a set of gains which has the capacity to generate huge profit margins for the firm owning it (Kapferer, 2005). These various benefits create value which can be accrued directly or indirectly. Kim (1990) suggested that a brand can be thought of as a total set of feelings, sensations and associations it creates, and hence to evaluate the total worth of a brand researchers started analyzing the term “brand equity” from all angles (Baldinger, 1990; Winters, 1991; Aaker, 1991; Keller, 1993).

Aaker (1991) and Keller (1993) viewed brand equity from two different perspectives. Aaker (1991) considered brand equity to be a much broader term and looked at it from four different directions firstly the state of being aware of the brand, secondly the idea of associating oneself with the brand in terms of its quality and finally becoming a brand loyal. This means that brand equity is deeply connected to the brand, its name and symbol, and it may increase or decrease in terms of benefits provided by the commodity to its ultimate users. Whereas, Keller (1993) operationalized brand equity from the customer point of view and defined it to be the knowledge or information which the consumer has of the brand and this knowledge may differ from consumer to consumer while responding differently to brand commercials. Leuthesser (1988) defined brand equity as the set of associations and behaviors performed on the part of consumers, channel members and parent firm itself which allows the brand to earn higher volumes without solely relying on the brand name. This definition was expounded from the firm’s point of view and the customer’s point of view as well.

The Marketing Science Institute (1989) defined brand equity as the incremental value that is contributed by the brand name in terms of increased market share and an fiscal asset which is strongly capable germinating positive associations with both the consumer and the firm as well. Therefore a brand possessing strong equity will definitely assist in building a loyal consumer franchise which will ultimately bring substantial returns to the firm. Kim (1990) stated that a brand is said to own equity if it has the power to convince the consumers

through influencing their preferences, purchase decisions, behavior, opinions and attitude toward a specific brand.

If a brand has strong brand equity, then it will automatically has the potential to gather many loyal consumers who shall contribute to higher returns of the firm. According to Aaker (1991) brand equity refers to an attachment which a consumer has with the brand. This implies that brand equity possess all dimensions to which a consumer can associate himself with. Brand equity as a firm's valuable property helps in achieving three major objectives: firstly it helps in enlarging the firm's consumer base, secondly it constantly reminds the consumers about the brand and lastly it helps in developing a strong bond between the firms and its customers (Lemon *et al.*, 2001). Thus, we can consider brand equity from both financial and customer's perspective. From consumers point of view it refers to overall consumer's knowledge, acquaintance and connection with the brand and financial view point, brand equity can be counted as a strong tool which has a capability to lead to higher revenues, lower cost and greater profit margins through firm's ability to command higher price, success of brand extensions and licensing opportunities and by conducting effective marketing communication activities (Washburn and plank, 2002; Keller, 2003).

(Aaker, 1991) explained the contributing factors which leads to the formation of brand equity asset for a business organization. These factors are known as dimensions of brand equity and have been broadly classified into four categories which are brand awareness, brand loyalty, perceived quality and brand association. Together these dimensions are also termed as consumer-based brand equity (Yoo and Donthu, 2001). This concept of brand equity has been adopted for conducting this study; brand equity is defined as the extent to which a consumer may relate and associate himself with a brand in terms of its quality and thereby being aware, loyal and associated with the brand (Pappu *et al.*, 2006).

### **Brand Equity Dimensions (brand awareness, brand association, perceived quality and brand loyalty)**

#### **Brand awareness**

The power of a brand's solid existence and recognition in the minds of consumers is known as brand awareness (Aaker, 1991). This means that brand awareness is the ability of an individual to retrieve and identify a brand name. Brand awareness is a prime requirement



for brand equity, without which consumers can't associate themselves with a brand, perceive its quality and neither become a brand loyal consumer (Pappu and Quester, 2006). It means that brand awareness is an essential factor of brand equity, the contribution of brand awareness depends on the level of brand consciousness, higher the degree of consciousness higher is the probability of the brand being considered for purchase (Nedungadi, 1990; Mackay, 2001; Aaker, 1996; Keller, 2003;).

Aaker (1990) found that strong brand existence and brand control are two requirements which fulfill the role of brand awareness in forming brand equity. Brand awareness is always a vital factor in manipulating the buying decisions and purchase intentions of consumers and resellers (Grewal, Monroe and Krishnan, 1998; Macdonald and Sharp, 2000). Studies have shown that if brands are popular and consumers are familiar with the brand then will consider buying recognized brand instead of an unidentified brand, therefore purchase intentions are in favor of well-known brands (Hoyer, 1990; Macdonald and Sharp, 2000).

### **Brand association**

Brand association refers to various meanings by which a brand is surrounded (Keller, 1993). Brand association is anything which links memory to a brand (Aaker, 1991). Aaker (1996) stated that brand awareness that must precede brand associations, which means in order to relate oneself with a brand one needs to be aware of it (Washburn and Plank, 2002). Customers judge a product not only the basis whether it can perform its stated functions but to the extent to which it is superior over the alternatives which are offered by the competitors (Aaker, 1996). Customers always look for brands which have the capability to offer flawless and long-lasting physical operations (Lassar *et al.*, 1995).

Brand association may be categorized into product related features and non-product related features. Product-related features includes elements like brand performance and non-product related features may consist of brand personality, personality of a brand further includes symbolic attributes such as social image, trustworthiness, country-of-origin and perceived value. The main role of these attributes is to satisfy consumer's desire for self-pride and social recognition (Hankinson and Cowking, 1993; Pitta and Katsanis, 1995; Aaker, 1996; Pappu *et al.*, 2005). The main properties which are often linked to a brand are:

1. Social Image: It refers to self-made ascriptions of a brand made by consumers and through which other people think of a person using a particular brand (Lassar *et al.*, 1995).
2. Perceived value: It refers to a situation where consumer tries to maintain equilibrium between the price and utility of a brand (Lassar *et al.*, 1995).
3. Trustworthiness: It refers to the extent of believability, integrity and reliability which the consumer has in the brand (Lassar *et al.*, 1995). Consumers always make purchases before experiencing the product therefore building genuine trust is very essential for developing strong connections with the consumer (Kinard and Capella, 2006).
4. Country-of- origin: It refers to the home country of a brand where the brand is initially born (Johansson *et al.*, 1985; Ozsomer and Cavusgil, 1991).

### **Perceived quality**

Perceived quality can be defined as the overall self-made judgment or opinion of the consumer towards a brand which may consist of positive or negative feelings about the brand in terms of its quality (Zeithaml, 1988). It implies that perceived quality can be thought of as the real opinion of the commodity in terms of satisfying consumer needs. It is difficult to make an intellectual opinion about the quality of a product hence many a times consumers gauge quality in terms of product color, appearance, packaging, texture, design etc. (Bernués *et al.*, 2003; Acebrón and Dópico, 2000). External cues for evaluating quality include marketing and advertising of the brand (Teas and Agarwal, 2000). Repurchase intention of a consumer is greatly influenced by perceived quality of the product as it is an important aspect of brand value, brands which excel in terms of consumers perceived quality are definitely purchased (Zeithaml, 1988). A brand is said to have higher perceived quality when consumers start considering it superior and different over the competitor's brands (Aaker, 1991).

Holbrook (1996) operationalized perceived quality as the extent to which consumers consider a brand to globally be superior in its particular segment. From a business point of view brands possessing higher perceived quality are capable of demanding higher prices for the product thereby contributing to higher profit margins (Yoo *et al.*, 2000). Perceived quality comprises the quality of the product and the service as 1. Product dimensions are: performance, component, components compatibility together, reliability, being durable, appropriateness and completeness 2. Serving sizes include: flexibility, reliability,

competence, understanding and empathy (Aaker, 1991). Gronroos (1990) stated factors which influence perceived quality are price, promotion, advertisement expenditure etc. therefore perceived quality is formed through direct interaction or consumption of the product and factors which have an affect on consumer's perception of the quality.

## **Brand loyalty**

Brand loyalty can be defined as the extent to which the consumers are inclined towards a particular brand and this may be manifested by their desire to repurchase that brand as their prime choice (Yoo and Donthu, 2001). If brand awareness and perceived quality are initial requirements for developing consumer's intention to buy a product, then brand loyalty is an assurance of the product being definitely purchased. Brand loyalty is basically a defining level of a positive attitude and commitment which a consumer has towards a brand and which is reflected by his/her intention of purchasing more of that brand in the future. Thus brand loyalty plays a vital role in influencing consumers purchase, repurchase and switching behavior (Oliver, 1997). Thus, all three factors are important when it comes to purchase and purchase intentions. Consumer loyalty is considered to be a vital element which leads to organizational success Brand loyalty is a commitment which a consumer owns to a brand by repurchasing it every time despite of the competitors continues effort to break this bond by using all possible marketing tactics (Oliver, 1999).

Wilkie (1994) defined brand loyalty as "a favorable attitude toward a brand which is indicated through its repeated purchase". Thus, this definition implies that a consumer is loyal towards a brand when both his attitude and behavior are favorable towards the brand. From consumers perspective loyalty can be viewed from two ways, loyalty which leads to repurchasing of the product is known as behavioral loyalty, whereas loyalty which develops commitment towards the brand is known as attitudinal loyalty, hence loyalty has been regarded as one of the most important upshots in the history of marketing literature as it has the power to drive consumers to purchase the product thereby contributing to firms increasing returns and decreasing marketing costs (Jacoby and Chestnut, 1978; Aaker, 1991; Reicheld and Schefter, 2000)

Keller (2003) considered brand loyalty to be the relationship which exists between the brand and its consumers and operationalized the term "brand resonance". It even means the extent to which the customers feel that the brand can synchronize with them. If consumers are able to develop genuine brand resonance then they will ultimately respond positively towards

the brand and will happily recommend others about the brand by being a satisfied brand representative. Thus, every organization wants to have loyal set of customers who can contribute to higher profit margins and assists in seeking new customers for the brand.

Aaker (1991) provided a similar opinion about brand loyalty and defined it as the attachment which a customer has with the brand and is referred it to as a situation which reflects the possibilities to which a consumer will or won't switch to another brand, especially when there are changes in that brand in terms of its price or product attributes.. Brand loyalty is even developed when consumers are so much attached and involved with the brand that they don't mind paying higher prices for the same brand in comparison with other brands providing the same or even better quality and price, this happens when a consumer is totally engrossed in the brand (Aaker, 1996; Chaudhuri and Holbrook, 2001; Srinivasan *et al.*, 2002).

## **2.2 Related Literature Review**

### **2.2.1 Endorser credibility and repurchase intention**

Celebrity endorsers have always played an important role in advertising. They have been well studied by researchers. Yoon, Kim, and Kim (1998) conducted a study to find out the relationship and effectiveness of endorser credibility towards repurchase intentions and attitude toward the advertisement of the brand considering Ohanian's endorser credibility scale in the United States and Korea. The results of their study indicated that all three dimensions of endorser credibility (attractiveness, trustworthiness and expertise) were necessary while influencing repurchase intentions of a product or service. Studies conducted by Agrawal and Wagner (1995) and Mathur et al. (1997) looked at the effects of celebrity endorsement contracts on a firm's profitability and findings have proved to be positive, in other words, celebrities do assist in increasing a firm's profit margin by making customers frequently repurchase the product.

Atkin and Martin (1983) conducted a comparative study between celebrity and non-celebrity personalities to assess their role in increasing the effectiveness of advertising level and repurchase intentions of consumers and found that celebrity endorsers were much better in increasing the advertising effectiveness level and arousing repurchase intentions in the minds of consumers by creating an overall positive picture of the brand than non-celebrity



personalities. Mehta (1994) conducted a similar study but had differing results according to their findings as there was not much between celebrity and non-celebrity endorsers when it comes to affecting consumers opinion in terms of purchase intention. There are studies which even reveal that having a positive attitude towards a particular advertise or likeability towards a celebrity endorser may not always result in purchase actions (Cabalero 1989; Till and Busler 2000).

Ramesh (2008) conducted focus groups and found that for high involvement products, celebrities helped to connect the consumers with the brand but only product attributes impacted purchase decisions. For low involvement products celebrities helped to increase brand recall. Thus, using celebrities in the Indian context shows that celebrities do hold an influential position in the minds of the Indian people. A study by Kumar, Lee, and Kim (2009) studied the effect of individual characteristics and brand specific variables of American brands versus local brands in India on purchase intentions. Findings showed that in order to achieve a sense of uniqueness, Indians had a favorable attitude towards the American brands as it symbolized high quality and positive emotional value. A positive attitude towards the American brand translated into negative attitudes towards local Indian brands. Overall, emotional value not utility was the important predictor of purchase intentions. The authors suggest using Indian celebrities to endorse local brands in order to evoke positive attitudes and purchase intentions.

Friedman and Friedman (1979) looked at endorser type (celebrity, professional expert, and typical consumer) effectiveness on product type (jewelry, vacuum cleaner, and cookies). Their findings indicated that celebrities worked best for jewelry, while professional experts worked best for vacuum cleaners and the typical consumer for cookies. These associations helped to generate positive attitudes and rebuying intentions among the subjects. In terms of ad and brand-name recall, celebrities were the best option for all product types. The authors suggest that choosing celebrities should be carefully done; if ad and brand-recall is the objective then celebrities should be chosen, but if not, then advertisers must look at what type of endorser would fit well with their product.

Kahle and Homer (1985) conducted a study to measure the effect of likeability and attractiveness in influencing repurchase intentions and yielding brand recall. They wanted to find out the reactions of consumers for a same product (razors) when endorsed by an attractive/ unattractive celebrity or likeable/unlikeable celebrity, the results showed that an

attractive celebrity generated more purchase intentions and brand recall in comparison to an unattractive celebrity; conversely unlikeable celebrities performed better both in terms of purchase intention and brand recall than likeable celebrities. Studies do confirm that attractive endorsers are a favorable option in changing consumer opinions about the brand, but when it comes to influencing repurchase intention an ambiguity factor does exist, a possible reason for this could be that celebrity endorsements focus more on influencing consumers attitude component rather than behavioral components (Fireworker and Friedman, 1977).

### **2.2.2 Brand equity and repurchase intention**

According to Kim (1990), a brand refers to the sum total knowledge of ideas, connections and emotional tie-ups, it arouses in the consumers mind. Aaker (1996) studied that brand equity is formed when consumers start buying a particular brand on a regular basis and thus found a positive role of brand equity in influencing repurchase intention. Thus, if the brand has the power to influence the behavior, preferences, attitude and repurchase intention of the consumers who behold to the brand then the brand is said to have brand equity. Lasser et al. (1995) mentioned that brand equity and repurchase flowed in a uniform direction and a brand which has strong brand equity could be leveraged to launch new products and services in the market place and act as a cue for repeated purchases.

Washburn and Plank (2002) found a significant correlation between all the dimensions of brand equity (brand awareness, brand association, perceived quality and brand loyalty) and repurchase intention. Similarly Kim et al. (2003) found that brand equity had a strong influence on customer repurchase intention for long term development and association with the brand. Baldauf, Cravens and Blinder (2003) investigated the impact of brand equity on repurchase intention and found that customers who are attached to a particular brand in any way brand can easily make purchase decisions. Keller (1993) stated that brand equity and repurchase intention were strongly connected with each other as repurchase intention was one the effective cues which indicated the existence of brand equity. This also implies that consumer's positive preference and intention to regularly repurchase a specific brand indicates that the consumer was quite significantly affected by the marketing strategies which have been adopted to promote that brand.

## Brand Equity dimensions and Repurchase Intention

1. **Brand awareness:** Developing and maintaining a strong brand awareness is one of the most important objective for any business organization due to the strong role of brand awareness in affecting consumer's purchase intention. Higher the level of brand awareness, higher will be the likeability of consumers to purchase and repurchase that brand (Nedungadi, 1990; Hoyer, 1990). Thus increasing the degree of brand awareness which makes the brand more dominant and increases its possibility to be purchased. Past studies have indicated that when consumers identify and remember a brand name their probability of purchasing that brand increases because familiar products are always preferred more in comparison to unfamiliar products (Hoyer, 1990; Macdonald and Sharp, 2000).
2. **Brand association:** Aaker (1991) stated that brand association as the dimension of brand equity has the ability to link itself with the memory and form different perceptions in the minds of consumers and this provides the basis for purchase intention. Therefore, brand association and purchase intention are correlated with each other.
3. **Perceived Quality:** Research have shown that quality is the most critical element which affects consumers while making a purchase decision as perceived quality provides consumers reasons to buy a product, it even helps in developing a favorable response towards the brand and this positive reaction further influences purchase intention of a consumer (Aaker, 1991).
4. **Brand Loyalty:** According to (Oliver, 1999) there exists a very strong relationship between brand loyalty and repurchase intention as brand loyalty confirms a repurchase promise made by the regular customers who will repurchase their constructive brands in the future without being affected by other brands

## 2.3 Previous Studies

Ahmed *et al.*, (2012) conducted the study to evaluate the effectiveness of celebrity endorsements on consumer buying behavior in Pakistan. The study was undertaken by distributing questionnaires in various educational centers and offices in Pakistan. A sample size of 200 was considered out of which 176 responses were received showing a response rate of 88%. In order to check the validity of data reliability analysis was conducted which indicated a reliability of 74.6%. Regression analysis and Correlation analysis techniques were

also conducted. The results of the study clearly depicted that a positive relationship existed between celebrity endorsements and buying intentions of consumers. Interestingly a negative association was discovered between non-celebrity endorsements and buying intentions. The results of the study further signified that when consumers start giving less importance to celebrity endorsements, then they are focusing more on other factors such as quality factor, brand loyalty, peer suggestion etc. These factors are related to brand equity. The researcher also suggested celebrity endorsements are moderated by various other factors such as endorser attractiveness, credibility of the endorser, match-up between product and celebrity etc.

Muralidharan (2012) studied the importance of celebrity endorser type (national, regional or non-celebrity) and source credibility towards the repurchase intention of Indian rural customers for high and low involvement products. The study was conducted by collecting data from a South Indian state of Kerala by distributing questionnaires among 167 rural women. The results of the study indicated non-celebrity endorsers inculcated a more favorable attitude towards the advertise, brand and repurchase intention for both high and low involvement products and were considered to be effective when compared to national and regional celebrities in terms of source credibility. Further, the study contradicted Elaboration Likelihood Model (ELM) by indicating that celebrity endorsers were effective for high involvement products than low involvement products. For advertisers this study provided a cue that although celebrity endorsement is a popular marketing strategy being employed in India but when it comes to rural consumers they will have to use specialized rather than standardized advertising strategies.

Yaseen *et al.* (2011) conducted a study to investigate the impact of brand equity dimensions such as brand loyalty, perceived quality and brand awareness on brand profitability with mediating role of repurchase intention. The study was based on resellers view and the data was collected from 200 retailers by distributing questionnaires. Convenience sampling technique was used to collect data. The researcher primarily focused on two brands L'Oréal Paris and Garnier. Correlation and regression analysis were used to analyze the data. The results of the study highlighted a positive relationship between all dimensions of brand equity (brand awareness, perceived quality and brand loyalty) and repurchase intention. However, there was no significant influence of brand loyalty and brand awareness on brand profitability but perceived quality did play a major role in influencing



brand profitability. Therefore, the researcher concluded that retailers considered product quality to be a significant factor in influencing repurchase intention and brand profitability.

Lee and Leh (2011) conducted a study to formulate an authentic model of brand equity for Malaysian brands by measuring the four dimensions of the brand equity which are brand awareness, brand association, perceived quality and brand loyalty. The data for the study was collected by distributing questionnaires in the major cities of Malaysia, 489 samples were used for analysis. Cronbach's alpha factor analysis and correlation analysis was conducted by using SPSS. The results of the study indicated that perceived quality was the most important dimension of brand equity in developing a dependable Malaysian brand, achieving national recognition and influencing repurchase decisions of consumers in Malaysia.



## CHAPTER 3

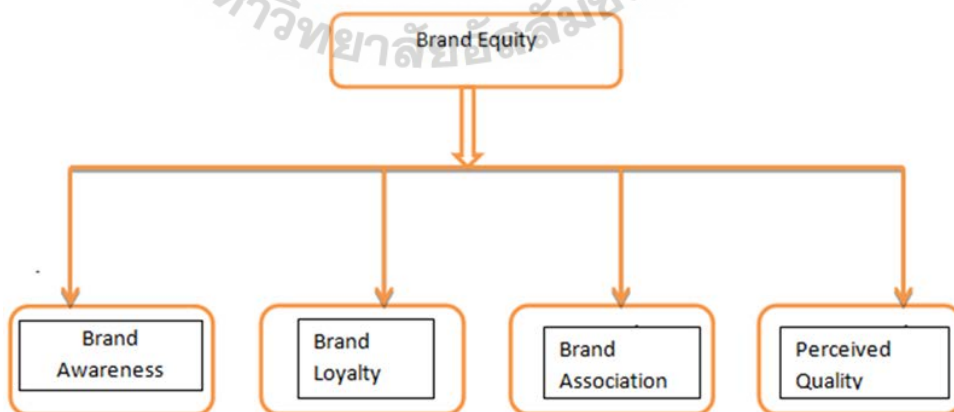
### THEORETICAL AND CONCEPTUAL FRAMEWORK

This chapter provides the details of the framework for the research. In the first part the researcher discusses several theoretical frameworks and summarizes each study. In the second part, the researcher forms a conceptual framework for this study along with the explanation of variables. In the third part, hypotheses are listed which mainly focuses on the relationship between different variables in the conceptual framework; and In the last part operationalization of independent and dependent variables are provided and explained.

#### 3.1 Theoretical Framework

In this study, the researcher applied three research models to develop the conceptual framework. The first research model was developed by Senthilnathan and Tharmi (2012) who studied about “The relationship of brand equity to purchase intention”. The second model was developed by Spry, Pappu, and Cornwell (2009) who studied about “Celebrity endorsement, brand credibility and brand equity”. And last model was developed by Roy, Jain, and Rana (2013) who studied about “The moderating role of consumer personality and source credibility in celebrity endorsements”.

**Figure 3.1:** The research model of “The relationship of brand equity to purchase intention”



**Source:** Aaker, D.A. (1996a). *Building strong brands*. The Free Press, New York and Aaker, D.A. (1996b). Measuring brand equity across product and markets. *California Management Review*, 38 (3), 102-120.

According to Aaker (1996a and 1996b), the vital factors that contribute to form brand equity are brand loyalty, brand awareness, brand association, and perceived quality. If these assets are dealt with proper care then they will have the potential to provide exclusive customer satisfaction, which further renders financial benefits to the firm (Aker, 1991). Aaker (1991 and 1996b), stated there exist a positive relationship between brand equity and repurchase intention of customers. This specification has been supported by the empirical studies by Lee and Leh (2011) who conducted a study to formulate an authentic model of brand equity for Malaysian brands by measuring the four dimensions of brand equity which are brand awareness, brand association, perceived quality and brand loyalty. The results of the study indicated that perceived quality was the most important dimension of brand equity in developing a dependable Malaysian brand and achieving national recognition.

**Figure 3.2:** The research model of “The relationship of brand equity to purchase intention”

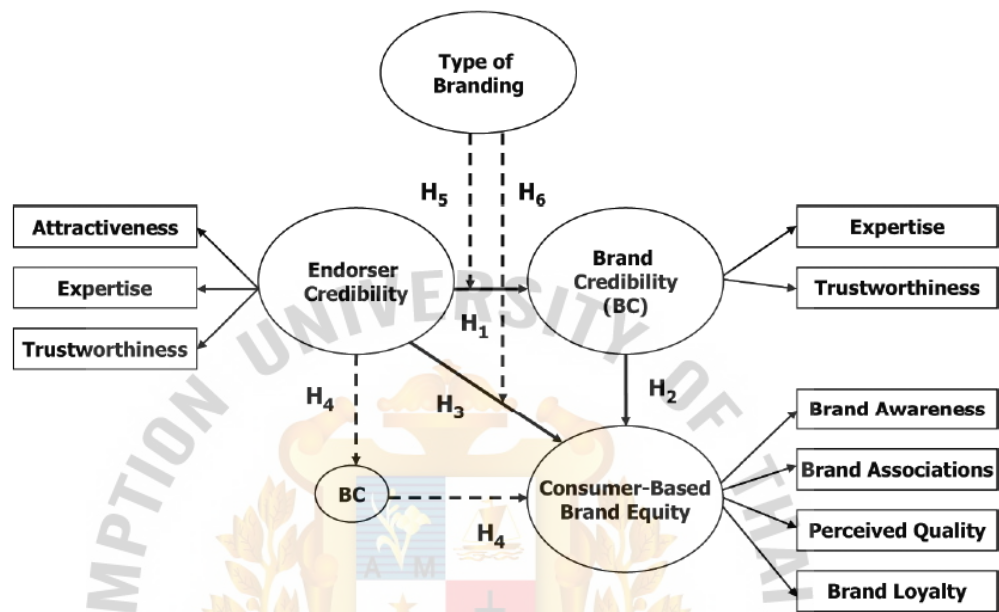


**Source:** Senthilnathan, S., & Tharmi, U. (2012). The relationship of brand equity to purchase intention. *The IUP Journal of Marketing Management*, 11(2), 8-26.

Senthilnathan *et al.* (2012) studied the role of brand equity in determining the purchase intention of customers in relation to branded baby soaps. The researcher conducted this study to examine whether Aaker’s (1991 and 1996b) description of brand equity model which included (brand loyalty, brand awareness, brand association, and perceived quality) could be implemented with the same level of significance in Sri Lankan baby soap market or not. The study was conducted by collecting data from 200 families residing in Batticaloa district of Sri Lanka. The results of the study signified that perceived quality accounts for the highest level of contribution towards brand equity in influencing purchase intention whereas brand association contributed lower in levels when compared to other dimensions of brand equity. Further, the study indicated that there is a significant and positive relationship between brand equity and purchase intention. This means that purchase intention of a buyer purchasing

branded baby soap can be estimated upto 32% with the customer’s nature of brand equity in the Sri Lankan context.

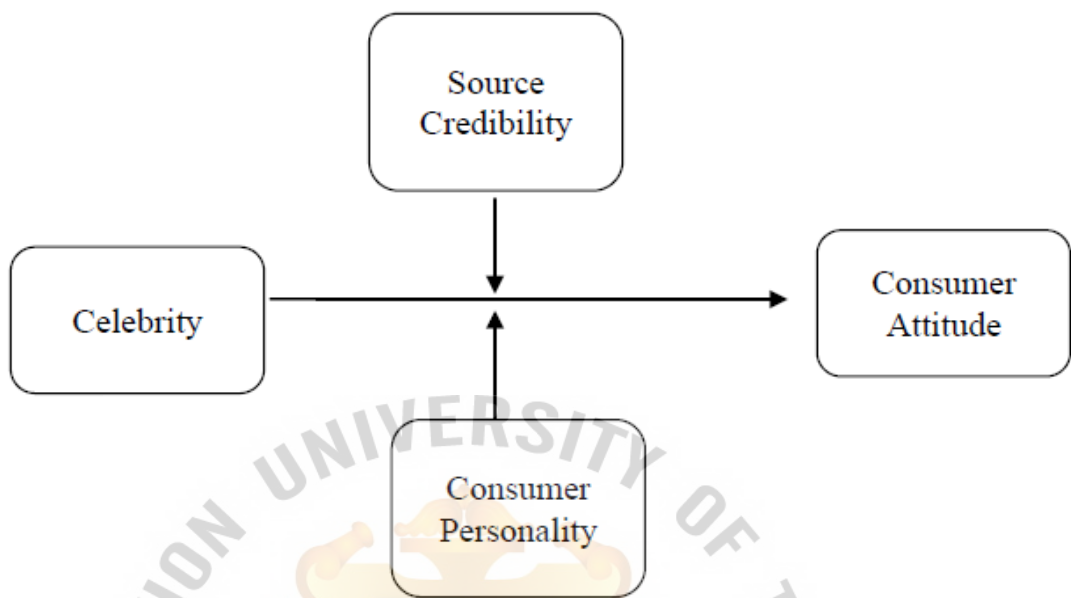
**Figure 3 3:** The research model of “Celebrity endorsement, brand credibility and brand equity”



**Source:** Spry, A., Pappu, R., & Cornwell, T. B. (2009). Celebrity endorsement, brand credibility and brand equity. *European Journal of Marketing*, 45 (6), 882-909.

Spry *et al.*, (2009) examined the relationship between endorser credibility and brand credibility and the development of consumer-based brand equity. The study was conducted by collecting data from 244 respondents using a mall-intercept approach at a shopping center in a metropolitan Australian city. Two Australian celebrities Rove Mcmanus (high credibility celebrity) and Simon Deering (low credibility celebrity) were selected as brand endorsers for endorsing Panasonic and Akai brands. The study signified a direct and positive relationship between endorser credibility and brand credibility however the direct effect of endorser credibility on brand equity was not significant as it was mediated via brand credibility. The study showed that even local celebrities may be considered an effective choice for influencing brand credibility and hence, brand equity for global brands.

**Figure 3.4:** The research model of “The moderating role of consumer personality and source credibility in celebrity endorsements”.



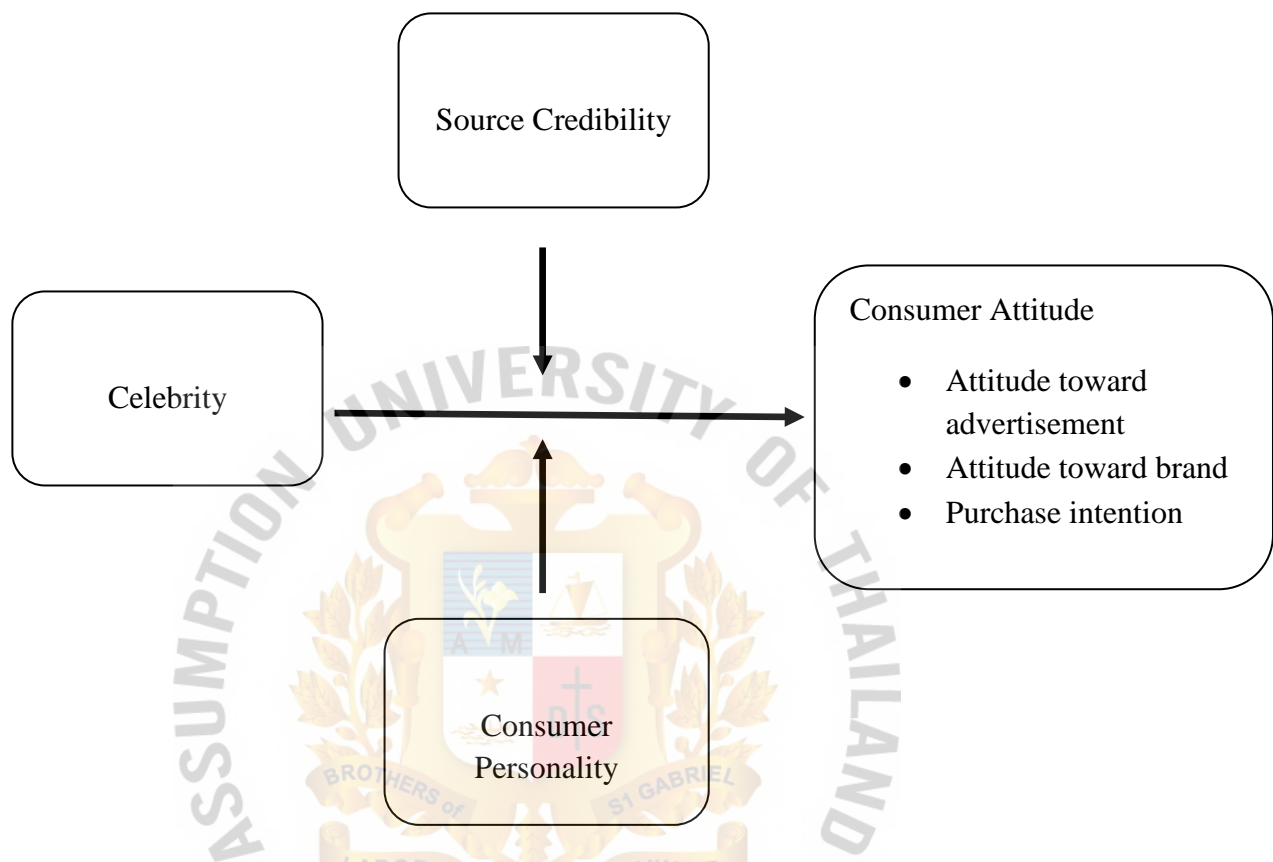
**Source:** Roy, S., Jain, V., & Rana, P. (2013). The moderating role of consumer personality and source credibility in celebrity endorsements. *Asia-Pacific Journal of Business Administration*, 1(5), 72-88.

Roy *et al.*, (2013) investigated the relative effectiveness of sports celebrities versus film celebrities on consumer attitude. The researcher also implied the moderating effect of celebrity credibility and consumer personality on consumer attitudes towards the advertisement, attitude towards the brand and purchase intention in terms of a low involvement product which was a cola drink (Pepsi). The researcher found that sports celebrities created a more favorable attitude towards consumer attitude when compared to film celebrities. People belonging to glamour and film industry may have high associations but not have the right meaning transfer when it comes to product endorsements.

This supports the meaning transfer theory which was conceptualized by (McCracken, 1989), according to the transfer theory the meaning created by a film celebrity is perceived because of his/her on screen activities whereas for a sports celebrity, most of the times the meaning generated are through his/her real actions.



**Figure 3.5:** The research model of “The moderating role of consumer personality and source credibility in celebrity endorsements”.



**Source:** Developed by author based on Roy, S., Jain, V., & Rana, P. (2013). The moderating role of consumer personality and source credibility in celebrity endorsements. *Asia-Pacific Journal of Business Administration*, 1 (5), 72-88.

As shown in Figure 3.4 and 3.5 consumer attitude being dependent variable was measured in terms of three sub variables attitude towards advertisement, attitude towards brand and purchase intention. The study was conducted by collecting data from 463 young respondents in western India. The results of the study indicated that all source credibility dimensions namely attractiveness and trustworthiness had a significant effect towards consumer attitude. Out of the big five personality dimensions only openness, agreeableness and partially conscientiousness were found to be important moderators of consumer attitude. The study further signifies that sport celebrities created a more favorable impact on all variables of consumer attitude namely attitude towards the ad, brand and purchase intention than a film celebrity. A film celebrity was more effective in creating a favorable attitude

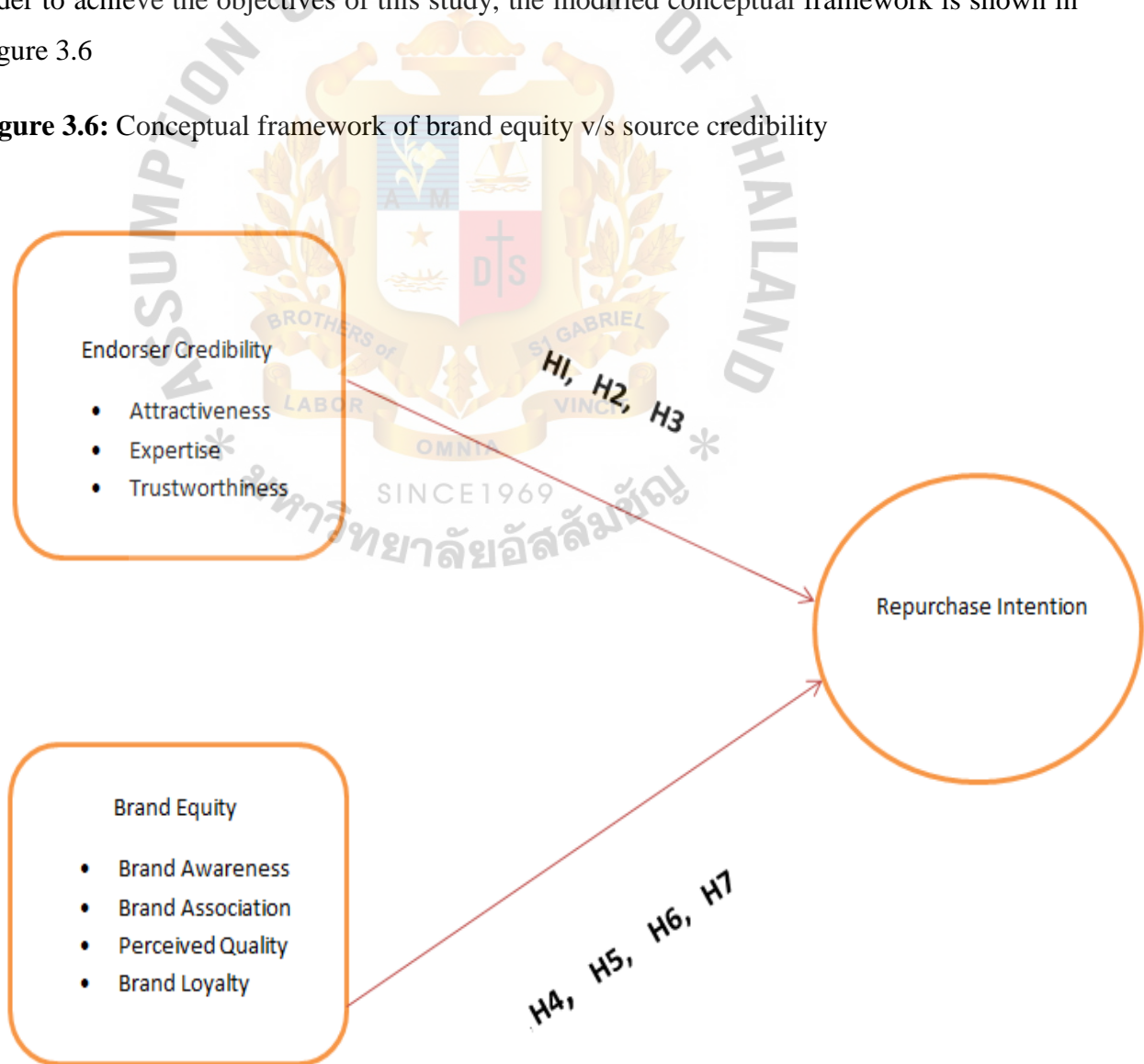
towards brand and purchase intention but was insignificant in terms of attitude towards the advertisement. The researcher suggested that marketers should take an effort to match the personality traits of target consumers when opting for a celebrity endorsement strategy and the celebrity should also possess high credibility in the eyes of the target audience



### 3.2 Conceptual Framework

The conceptual framework is developed from previous four research models by selecting the variables that were important and had influence on repurchase intention. The modified conceptual framework includes two independent variables endorser credibility and brand equity affecting repurchase intention which is the dependent variable. In the following conceptual framework endorser credibility consists of sub variables which are expertise, trustworthiness and attractiveness and brand equity consists of sub variables which are brand awareness, brand loyalty, brand association and perceived quality. The framework is designed to analyze the factors affecting repurchase intention in order to understand which factor has greater influence on consumer repurchase decision. The researcher also aims to find the relationship between brand equity, source credibility and repurchase intention. In order to achieve the objectives of this study, the modified conceptual framework is shown in Figure 3.6

**Figure 3.6:** Conceptual framework of brand equity v/s source credibility



### 3.3 Research Hypotheses

A hypothesis is a statement which can be empirically tested. It is basically concerned identifying the relationship that exists between variables (Zikmund, 2004). A good hypothesis can give a clear implication to test the stated relationships. Therefore, in order to have a better understanding of the variables stated in the conceptual framework, the researcher has summarized the hypothesis as follows:

#### **Hypothesis 1:**

H1<sub>0</sub>: There is no significant relationship between endorser credibility in terms of attractiveness and repurchase intention.

H1<sub>a</sub>: There is a significant relationship between endorser credibility in terms of attractiveness and repurchase intention.

#### **Hypothesis 2:**

H2<sub>0</sub>: There is no significant relationship between endorser credibility in terms of expertise and repurchase intention.

H2<sub>a</sub>: There is a significant relationship between endorser credibility in terms of expertise and repurchase intention.

#### **Hypothesis 3:**

H3<sub>0</sub>: There is no significant relationship between endorser credibility in terms of trustworthiness and repurchase intention.

H3<sub>a</sub>: There is a significant relationship between endorser credibility in terms of trustworthiness and repurchase intention.

#### **Hypothesis 4:**

H4<sub>0</sub>: There is no significant relationship between brand equity in terms of brand awareness and repurchase intention.

H4<sub>a</sub>: There is a significant relationship between brand equity in terms of brand awareness and repurchase intention.

**Hypothesis 5:**

H5<sub>o</sub>: There is no significant relationship between brand equity in terms of brand association and repurchase intention.

H5<sub>a</sub>: There is a significant relationship between brand equity in terms of brand association and repurchase intention.

**Hypothesis 6:**

H6<sub>o</sub>: There is no significant relationship between brand equity in terms of perceived quality and repurchase intention.

H6<sub>a</sub>: There is a significant relationship between brand equity in terms of perceived quality and repurchase intention.

**Hypothesis 7:**

H7<sub>o</sub>: There is no significant relationship between brand equity in terms of brand loyalty and repurchase intention

H7<sub>a</sub>: There is a significant relationship between brand equity intention in terms of brand loyalty and repurchase intention.





### 3.4 Operationalization of Variables

Variable	Operational Definition	Operational Component	Measurement Scale
Repurchase Intention	It refers to the probability and possibility of the consumer to repurchase the product. (Lutz <i>et al.</i> , 1983)	<ul style="list-style-type: none"> <li>- I have a strong possibility to repurchase this brand.</li> <li>- I'm likely to repurchase this brand.</li> <li>- I have high intention to repurchase this brand.</li> <li>- The likelihood that I would pay for this brand is high</li> <li>- My willingness to buy this brand is very high</li> <li>- In the near future, I would consider repurchasing this brand.</li> </ul>	Interval Scale
Endorser Credibility	The degree to which the endorser can be trusted and is considered to be an expert in relevance to the message communicated by him to the target audience (Goldsmith <i>et al.</i> , 2000; Ohanian, 1990). Endorser credibility can be divided into attractiveness, expertise and trustworthiness.		
Attractiveness	It refers to how pleasing, friendly and	<ul style="list-style-type: none"> <li>- Attractive – unattractive</li> <li>- Classy – not classy</li> </ul>	Semantic Differential

	<p>similar the source is to the audience. (McCracken, 1989).</p>	<ul style="list-style-type: none"> <li>- Beautiful – ugly</li> <li>- Elegant – plain</li> <li>- Sexy – not sexy</li> </ul>	Scale
Expertise	<p>The extent to which the source is perceived to be well-informed and knowledgeable about the brand being advertised. (Dholakia and Sternthal, 1977).</p>	<ul style="list-style-type: none"> <li>- Expert – not an expert</li> <li>- Experienced – inexperienced</li> <li>- Knowledgeable – unknowledgeable</li> <li>- Qualified – unqualified</li> <li>- Skilled – unskilled</li> </ul>	Semantic Differential Scale
Trustworthiness	<p>It refers to the level to which the source is comprehended to be impartial, objective and reliable by the audience viewing him or her. (Dholakia and Sternthal, 1977; Ohanian, 1991).</p>	<ul style="list-style-type: none"> <li>- Dependable – undependable</li> <li>- Honest – dishonest</li> <li>- Reliable – unreliable</li> <li>- Sincere – insincere</li> <li>- Trustworthy – untrustworthy</li> </ul>	Semantic Differential Scale
Brand Equity	<p>It refers to the additional value which a product receives from its brand (Farquhar, 1989).</p> <p>The four important factors that contribute</p>		

	to create Brand Equity are Brand awareness, brand association, perceived quality and brand loyalty.		
Brand awareness	The power of a brand's solid existence and recognition in the minds of consumers. (Aaker, 1991).	<ul style="list-style-type: none"> <li>- I am aware of this brand.</li> <li>- I can recognize this brand.</li> <li>- I have no doubt in recalling the brand for repurchasing it any time.</li> <li>- The same reflects at the top of my mind.</li> </ul>	Interval Scale
Brand association	It refers to the real meaning of the brand in the eyes of consumers and consists of multiple ideas, instances and facts developed by consumers regarding the brand. (Keller, 1993).	<ul style="list-style-type: none"> <li>- It is likely that this brand offers good value for money.</li> <li>- People identify me for the particular brand I buy.</li> <li>- I have known all descriptive information about the particular brand this brand.</li> <li>- I am recognized by others for the benefits obtained from using the brand</li> <li>- It is likely that the brand is of very high quality.</li> </ul>	Interval Scale
Perceived Quality	It means the overall self-made judgment or		Interval Scale

	<p>opinion of the consumer towards brand which may consists of positive or negative feelings about the brand in terms of its quality (Zeithaml, 1988).</p>	<ul style="list-style-type: none"> <li>- It is likely that the brand is of very consistent quality.</li> <li>- It is likely that the brand offers excellent features.</li> <li>- It is likely that the brand is very reliable.</li> </ul>	
Brand Loyalty	<p>The extent to which the consumers are inclined towards a particular brand and which may be manifested by their desire to repurchase that brand as their first choice (Yoo and Donthu, 2001).</p>	<ul style="list-style-type: none"> <li>- I feel loyal when considering the purchase of this brand.</li> <li>- It is likely that this brand would be my first choice when considering the purchase of a cosmetic product.</li> <li>- I would buy another brand if this brand was available at the store.</li> </ul>	Interval Scale

## **CHAPTER 4**

### **RESEARCH METHODOLOGY**

This chapter provides details of the research method employed in this study. The researcher would discuss the type of research method, respondents and sampling, research instruments, pretest, collection of data and statistical treatment of data. This chapter also defines the population, sample size, the method for collecting and analyzing the data.

#### **4.1 Methods of Research Used**

The aim of this research is to test the relationship of endorser credibility and brand equity towards repurchase intention. This research focuses on four dimensions of brand equity which are brand awareness, brand association, perceived quality and brand loyalty. Endorser credibility has been divided into three factors which are attractiveness, expertise and trustworthiness. The researcher's main purpose is to identify the role of endorser credibility and brand equity in influencing repurchase intention of Indian consumers for L'Oréal Paris products.

Firstly, the researcher has used descriptive research in order to define the target market. Descriptive research is typically used to determine the frequency with which something occurs or shows the relationship between two variables (Churchill, 1991). Zikmund (2003) defined descriptive research as a method to depict the attributes of a population or phenomenon.

Secondly, the researcher applied the survey method by distributing questionnaires in order to collect the data from the respondents which have been selected from the target population through sampling. A survey method is a very popular research technique because it is a data collection method based on communication with a representative sample of individuals. The survey method also provides a quick, inexpensive, efficient and accurate means of assessing information about a population (Kumer, Aaker and Day, 1991).



## 4.2 Respondents and sampling procedure

### 4.2.1 Population and sample

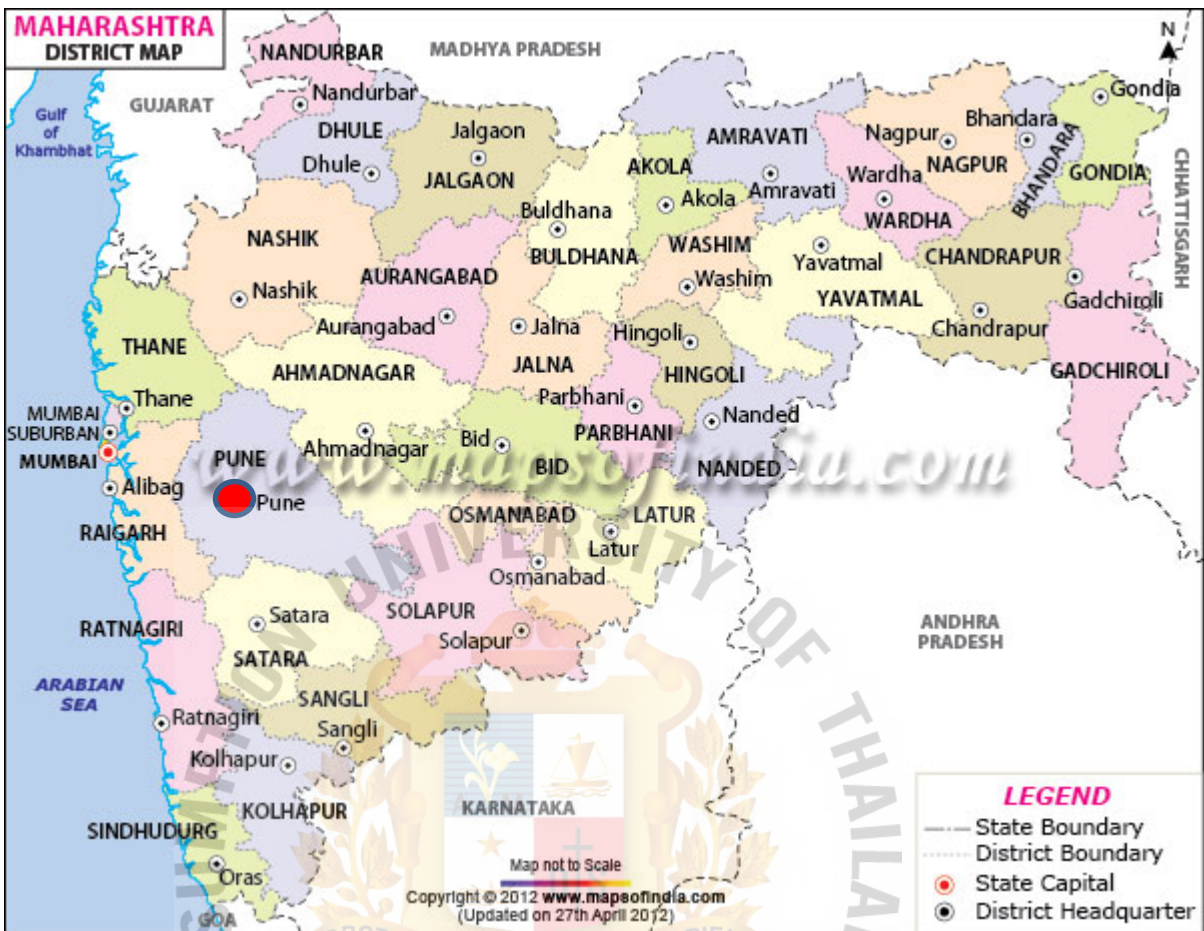
A population can be defined as the complete group under study as specified by the objectives of the research project (Zikmund, 2003). In this research the target population refers to the Indian consumers who have purchased L’Oréal Paris products at any stores and have experienced the factors such as quality, loyalty, brand association etc. by using L’Oréal Paris products. Burns and Bush (2005) defined a sample as the subset of the population that represents the entire group. The sample for this research was selected from Pune city, Maharashtra, India by selecting the most popular shopping areas which are the Camp area and Laxmi road. (<http://www.poonabest.com/Pune-shopping/Top-10-Shopping-Destinations-Pune.asp> , Retrieved on 27/07/ 13)

**Figure 4.1:** Map of India



Source: (<http://www.mapsofindia.com/maps/india/india-political-map.htm>, Retrieved on 07/07/2013)

**Figure 4.2:** Map of Maharashtra



Source: (<http://www.mapsofindia.com/maps/maharashtra/maharashtra.htm>, Retrieved on 07/07/2013)

Pune is the second largest city in the state of Maharashtra and one of the largest cities in India. Due to presence of many colleges and universities, Pune city is emerging as an eminent location for IT and manufacturing companies to expand. In the near future, Pune city will turn into IT hub of India replacing Bangalore. Pune city has the seventh largest metropolitan economy and the sixth highest per capita income in the country, the lifestyle of people in Pune city is relatively high compared to other cities and provinces in India. Hence, the sample was selected from Pune, Maharashtra, India as it could represent the appropriate population for this research (<http://aboutpunecity.com/> , Retrieved on 04/07/2013).

#### 4.2.2 Sample size

The accuracy of a sample is an authentication of how genuinely it indicates the true value of population it represented (Burns and bush, 2005). Kotler (2000) defined a sample

size as the appropriate number of people who should be surveyed which can represent the target population. Malhotra (2004) suggested that the sample size can be influenced by similar studies by taking the average sample size from previous empirical researches. Therefore, in order to get the sample size the researcher averaged three previous studies as references to form a sample size for this research. Senthilnathan and Tharmi (2012) studied the relationship of brand equity to purchase intention by using 200 respondents. Similarly, Spry, Pappu, and Cornwell (2009) studied Celebrity endorsement, brand credibility and brand equity by using 244 respondents. Also, Roy, Jain, and Rana (2013) studied the moderating role of consumer personality and source credibility in celebrity endorsements by using 463 young respondents. Normally, using a large sample size will help in avoiding errors (Barlett *et al.*, 2001). Hence, based on three previous studies and in order to minimize the error, the researcher distributed 430 questionnaires for conducting this study.

**4.2.3 Sampling procedure**

In this study, the researcher has applied non-probability sampling method by using Judgment, Quota and Convenience sampling to select the respondents. Non- probability sampling is a sampling method in which the elements in the population are not known and their probability of subjects being included in the sample frame is unknown (Sekaran, 2003).

**Step 1: Judgment Sampling**

In order to conduct this study the researcher applied judgment sampling which was used to select the two most popular shopping areas which are Camp area and Laxmi road in Pune city, Maharashtra, India. The researcher selected these places, Camp area and Laxmi road as they are ranked as the topmost shopping destinations of Pune city, Maharashtra, India. Zikmund (2003) mentioned that judgment sampling also known as purposive sampling is a non-probability sampling technique in which participants are selected according to the researcher’s experience that they will meet the requirements of the study.

**Table 4.1:** Top 10 Shopping Destinations in Pune City, Maharashtra, India

Rank	Name of Shopping Area
1.	Laxmi Road
2.	M.G. Road (Camp)
3.	Fashion Street

4.	Tulsi Baug
5.	Juna Bazar
6.	Phule Market
7.	Bajirao Road
8.	Hongkong Lane
9.	Fergusson College Road
10.	Jangli Maharaj Road

**Source:** (<http://www.poonabest.com/Pune-shopping/Top-10-Shopping-Destinations-Pune.asp>, Retrieved on 10/07/2013)

### Step 2: Quota Sampling

Secondly, the researcher applied quota sampling to distribute the questionnaires among 2 chosen areas which are Camp area and Laxmi Road in Pune city, Maharashtra, India. Quota sampling is a non-probability sampling method which involves the selection of prospective participants according to some specific demographics (Zikmund, 2004). As the sample size was considered to be 430 respondents, two hundred and fifteen questionnaires were distributed in each area.

**Table 4.2:** Questionnaire Distribution

L'Oréal Paris (Pune)	Number of respondents
Laxmi Road	215
M.G. Road (Camp)	215
<b>total</b>	<b>430</b>

### Step 3: Convenience Sampling

Lastly, convenience sampling was used to directly distribute the questionnaire to consumers at L'Oréal Paris stores who were willing to answer the questionnaire. Zikmund (2003) defined convenience sampling also known as accidental sampling, as a sampling method in which samples are drawn at the convenience of the researcher. Thus, the researcher distributed the questionnaires in the selected four stores to any respondent who was conveniently available and willing to participate in the research process.



### 4.3 Research Instruments/Questionnaire

The researcher used questionnaires to collect necessary information from the target population. The questionnaire was designed based on the conceptual framework. There are four parts as follows:

**Part 1:** Screening Question: the researcher used a screening question in order to find the appropriate respondents who would further be qualified for answering the whole questionnaire. There was one question which was used to find if the respondent had used any L'Oréal Paris product; the respondents were required to answer yes or no for this question.

**Part 2:** Independent variable analysis (Endorser Credibility and Brand equity): this part includes the independent variables of the study which are endorser credibility and brand equity. Endorser credibility has been divided into three factors which are attractiveness, expertise and trustworthiness. Brand equity consists of four dimensions which are brand awareness, brand association, perceived quality and brand loyalty. This part was divided into seven parts.

As per Ohanian's Endorser Credibility Scale the credibility of an endorser can be judged by three sub-dimensions which are attractiveness, expertise and trustworthiness (Ohanian, 1990). Trustworthiness refers to the level to which the source is comprehended to be impartial, objective and reliable by the audience viewing him or her (Dholakia and Sternthal, 1977; Ohanian, 1991). Attractiveness means how pleasing, friendly and similar the source is to the audience (McCracken, 1989). Expertise is the degree to which the source is sensed to be well-informed and knowledgeable about the brand being advertised (Dholakia and Sternthal, 1977). Endorser credibility was measured using a 15-item scale developed by Ohanian (1990). In this part all questions were asked using the semantic differential scale. Semantic Differential (SD) measures people's reactions to stimulus words and concepts in terms of ratings on bipolar scales defined with contrasting adjectives at each end (Heise, 1965). In a semantic differential scale the position marked 0 is labeled "neutral," the 1 positions are labeled "slightly," the 2 positions "quite," and the 3 positions "extremely." A scale like this one measures directionality of a reaction (e.g., good versus bad) and also intensity (slight through extreme).



Brand equity refers to the additional value which a product receives from its brand (Farquhar, 1989). The four important factors that contribute to create Brand Equity are brand awareness, brand association, perceived quality and brand loyalty. (Aaker, 1996a and 1996b). Brand awareness questions were adapted from the study of (Yoo and Donthu, 2001; Aaker, 1991). Brand awareness can be defined as the power of a brand's existence on consumers mind (Aaker, 1991). The questions for brand association were adopted from the study of (Aaker, 1991). Brand association refers to various meanings by which a brand is surrounded (Keller, 1993). The questions for perceived quality were adopted from the study of (Yoo and Donthu, 2001; Aaker, 1991). Perceived quality can be defined as the the overall self-made judgment or opinion of the consumer towards a brand which may consist of positive or negative feelings about the brand in terms of its quality (Zeithamal, 1988). Brand loyalty was adapted from (Yoo and Donthu, 2001). Brand loyalty means the extent to which the consumers are inclined towards a particular brand and this may be manifested by their desire to repurchase that brand as their first choice (Yoo and Donthu, 2001). In this part all questions were asked using a five-point Likert scale ranging from 1 = Strongly Disagree to 5 = Strongly Agree in order to evaluate the score that respondents would assign to each statement. Zikmund (2003) defined likert scale as a scale which can be used to measure the consumer's attitude of whether or not they strongly agree or disagree with the precisely designed questions mentioned in the questionnaire.

**Part 3:** Dependent variable analysis (Repurchase intention): This part includes the dependent variable of the study which is repurchase intention. Questions for repurchase intention were adapted from the study of (Dodds *et al.*, 1991). Repurchase intention can be defined as the probability and possibility of the consumer to repurchase the product (Lutz *et al.*, 1983). In this part all questions were asked using five-point Likert scale. Usually these scales contain 5 or 7 points, and are summed across statements to get the attitude score (Davis, 2005). In this research a 5 point scale is used to test the variation of the summated rating scale for repurchase intention of L'Oréal Paris products.

**Part 4:** Demographic Information: This part includes the personal data of the respondent such as age, income, education and marital status. The researcher has solely focused on female gender for conducting this study as the celebrity endorser who has been selected for conducting this study is a female and secondly she only endorses L'Oréal Paris products concentrating on female segment of the market. Close-ended questions are included in this part to gather information about the demographic profile and to analyze the behavior

of a certain group. Close-ended questions means that respondents are exposed to limited answers and can select the closest answer to their individual recognition. There are four questions, the first two questions are from the ordinal scale and the last two questions are from the nominal scale.

4.4 Pretest

Zikmund (2003) stated that pretesting refers to the pilot distribution of a questionnaire to a small group of respondents in order to find ambiguities in the questions listed. Burns and Bush (2005) defined pretest as “a pretest involves conducting a dry run of survey on a small representative set of respondents in order to reveal questionnaire errors before the survey is launched. Therefore, questionnaire pretesting is necessary for conducting an efficient and effective research. Vanichbancha (2001) recommended that there should be atleast 25 cases involved in a pretest process. Thus, in order to find out the potentials problems in the questionnaire in terms of language and understanding level the researcher conducted a pretest involving 50 respondents. The researcher collected the data from the respondents in selected areas of Pune, Maharashtra, India, from 15th August to 25<sup>th</sup> August 2013. The selected areas were the two most popular shopping destinations which are Camp area and Laxmi Road in Pune, Maharashtra, India. The researcher used SPSS to test the reliability of each variable by using the coefficient alpha. Malhotra (2000) stated that an alpha value of atleast 0.60 is considered to be reliable and satisfactory.

Table: 4.3: Result of Reliability test (Cronbach’s Alpha Coefficient Table)

Operational Variables	Alpha Test
Attractiveness	.848
Expertise	.888
Trustworthiness	.913
Brand awareness	.939
Brand association	.764
Perceived quality	.920
Brand loyalty	.917
Repurchase intention	.946

Cronbach's alpha is the most commonly used technique to conduct reliability analysis which reflects how well the items are positively correlated with each other (Sekaran, 2000). The widely accepted social science cut-off is that alpha should be 0.60. If the alpha value is 0.70, it is considered to be good, if the alpha value is around 0.80 it is considered to be very good and if the reliability value is 0.90 then it is considered to be excellent.

As seen in Table 4.3, the coefficient of all variables is above 0.60 and most above are above 0.90 indicating excellent reliability of variables. Therefore the questionnaire that is being used to conduct this study is valid and reliable enough to examine its hypothesis.

#### **4.5 Collection of Data**

The researcher used both primary and secondary data while conducting this study. Davis (2005) defined primary data as the data which are collected for the first time and thus happens to be in original in character. Primary data are the information which are collected by the researcher directly through various means such as through questionnaires, interviews, focus groups, direct observations etc. Primary data are known for providing the most accurate, reliable and up-to-date information (Zikmund, 2004). In this research primary data was gathered by distributing questionnaires in two most popular shopping destinations which are Camp area and Laxmi Road in Pune city, Maharashtra, India. The data were gathered by the researcher within the time period of one month (October) with the help of a team which was set up in India.

Zikmund (2003) mentioned that secondary or historical data are the data which are previously collected or compiled from some report, other than the one at hand; such kind of data is readily available and easily obtainable; the most significant advantages of secondary data is that it is cost effective and time saving. The secondary data for this research are collected from textbooks, magazines, online journals, the internet etc.

#### **4.6 Statistical treatment of data**

After gathering all the data the researcher used Statistical Package for Social Sciences (SPSS) program to analyze the collected data from the questionnaire. Kelley *et al.*, (2003) defined SPSS as “a modular, with a fully integrated survey analysis system to design a unique software solution for specific applications”. Both descriptive and inferential analyses were applied in statistical treatment of data.

## **Descriptive Analysis**

The researcher used descriptive analysis in order to analyze demographics of the study. Descriptive analysis is a statistical analysis used to describe the brief information from the data collected (such as frequency, percentage, etc.), which is normally used for analyzing demographic factors. Descriptive analysis involves transformation of raw data into a form that provides information to describe and interpret a set of factors in a much easier way and in any situation (Sekaran, 2003). Descriptive statistics is the discipline of quantitatively representing the most important features of the data collected (Prem, 1995). The main objective of descriptive statistics is to provide sufficient knowledge in order to describe the body of data showing the level of measurement that the researcher wants to study.

In this study descriptive statistics, frequency tables, average mean were used to analyze the demographic profile of respondents in terms of age, education, income and marital status.

## **Inferential Analysis**

Inferential analysis is a method used to gather inferences on the general characteristics of target population through the data of samples (Gay and Diehl, 1996). The primary purpose of inferential analysis is to provide judgment regarding the population or collection of all elements about which one seeks information, it even helps to make generalizations from a sample to a population and test some hypothesis (William, 2002; Zikmund, 2000). The inferential analysis method employed for this study is Pearson Product Coefficient Correlation.

## **Correlation Analysis**

Correlation is a technique used for investigating the relationship between two quantitative and continuous variables. This technique was originally proposed by Karl Pearson it is also known as Pearson Correlation Coefficient. The main objective of this analysis is to measure the degree of closeness between two variables and consider the joint variation of two measures neither of which is restricted by the researcher (Churchill, 1991).

In this research, the researcher determined that Pearson Correlation analysis is adopted in testing the 7 hypotheses. The Pearson Product Moment Correlation Coefficient “r” is a parametric technique which gives a measurement of the strength of association between

two interval scaled variables (Hussey & Hussey, 1997). The value is between plus 1 and minus 1. A value of +1 describes the relationship between two variables as perfect and positive. On the other hand, the value of -1 shows that there is no opposite relationship between two variables, in other words, as one variable increases, the other decreases. Moreover, the value of 0 (zero) indicates that there is no linear relationship between two variables. Zikmund (2003) implied that the formula calculation of the Pearson Correlation Coefficient for the two variables are as follows:

$$r = \frac{\sum_{i=1}^n ((X_i - X)(Y_i - Y))}{\sqrt{\sum_{i=1}^n (X_i - X)^2 \sum_{i=1}^n (Y_i - Y)^2}}$$

Where:

$X_i$  = Each X value

$Y_i$  = Each Y value

$X = \bar{X}$  = Mean of the X's

$Y = \bar{Y}$  = Mean of the Y's

$n$  = Number of paired values

The regulation of Pearson Correlation Coefficient for testing a hypothesis is: the null hypothesis ( $H_0$ ) is rejected when the P-value (significance of correlation) is less than the value of Alpha, on the other hand, the  $H_a$  is accepted. And the strength of correlation coefficient is measured based on  $r$  value, shown in Table 4.4.

### Hypothesis Testing Rule

The null hypothesis ( $H_0$ ) is rejected when the P value of the two tailed test conducted is less than 0.01. The null hypothesis ( $H_0$ ) cannot be rejected if the P value of the two tailed test conducted is greater than 0.01.



**Table 4.4:** The r-value and Corresponding Strength for Pearson Correlation Coefficient

Correlation value (r)	Interpretation
1	Perfect positive linear association
0	No linear association
-1	Perfect negative linear association
0.90 to 0.99	Very high positive correlation
0.70 to 0.89	High positive correlation
0.40 to 0.69	Medium positive correlation
0.01 to 0.39	Low positive correlation
-0.01 to -0.39	Low negative correlation
-0.40 to -0.69	Medium negative correlation
-0.70 to -0.89	High negative correlation
-0.90 to -0.99	Very high negative correlation

Source: Hussey and Hussey (1997), Business research- a practical guide for understand and postgraduate student. London: Macmillan Press Ltd. 227.

In this study Pearson Correlation Coefficient was used to find the relationship between endorser credibility factors (attractiveness, expertise and trustworthiness), brand equity dimensions (brand awareness, brand association, perceived quality and brand loyalty) and repurchase intention.

**Table: 4.5** Summary of Hypothesis Testing and Statistical Analysis

Hypothesis	Statistical Treatment
H1 <sub>0</sub> : There is no significant relationship between endorser credibility intention in terms of attractiveness and repurchase. H1 <sub>a</sub> : There is a significant relationship between endorser credibility intention in terms of attractiveness and repurchase intention.	Pearson Correlation
H2 <sub>0</sub> : There is no significant relationship between endorser credibility in terms of expertise and repurchase intention. H2 <sub>a</sub> : There is a significant relationship between endorser credibility in terms of expertise and repurchase intention.	Pearson Correlation
H3 <sub>0</sub> : There is no significant relationship between endorser credibility in terms of trustworthiness and repurchase intention.	

H3 <sub>a</sub> : There is a significant relationship between endorser credibility in terms of trustworthiness and repurchase intention.	Pearson Correlation
H4 <sub>o</sub> : There is no significant relationship between brand equity in terms of brand awareness and repurchase intention. H4 <sub>a</sub> : There is a significant relationship between brand equity in terms of brand awareness and repurchase intention.	Pearson Correlation
H5 <sub>o</sub> : There is no significant relationship between brand equity in terms of brand association and repurchase intention. H5 <sub>a</sub> : There is a significant relationship between brand equity in terms of brand association and repurchase intention.	Pearson Correlation
H6 <sub>o</sub> : There is no significant relationship between brand equity in terms of perceived quality and repurchase intention. H6 <sub>a</sub> : There is a significant relationship between brand equity in terms of perceived quality and repurchase intention.	Pearson Correlation
H7 <sub>o</sub> : There is no significant relationship between brand equity in terms of brand loyalty and repurchase intention. H7 <sub>a</sub> : There is a significant relationship between brand equity intention in terms of brand loyalty and repurchase intention.	Pearson Correlation

## **CHAPTER 5**

### **DATA ANALYSIS**

In this Chapter, the researcher presents the findings by using descriptive analysis as well as inferential analysis for testing hypotheses. Statistical Package for the Social Science (SPSS) was utilized in order to analyze and evaluate the data. The data analysis is divided into four sections: descriptive analysis for demographic factors, descriptive analysis for variables, reliability analysis of variables and hypotheses testing as inferential analysis.

#### **5.1 Descriptive Analysis for Demographic Factors**

The researcher applied descriptive analysis in order to present demographic profile and general information of the respondents. Descriptive analysis refers to the transformation of the raw data into a form that make them easy to understand and interpret (Zikmund, 2003). Hence, descriptive analysis is a method that helped to summarize the general nature of variables included in the study and the interrelation among them (Parasuraman, 1992). In this research, descriptive analysis is used to describe the demographic characteristics of respondents by using frequency distributions and percentage distributions.

The study was designed to analyze the consumers who used L'Oréal Paris products in India. The researcher distributed 430 questionnaires by initially screening the respondents who had experience of using L'Oréal Paris products. The data were collected from 30<sup>th</sup> September to 18<sup>th</sup> October, 2013 in the selected areas which are M.G road and Laxmi road located in Pune, Maharashtra, India. A total of 400 respondents were chosen as accurate target population. In order to obtain the profile of subjects, the respondents were asked to complete all questions regarding, age, income, education and marital status. For presenting the demographic data, the researcher analyzed and summarized it in a useful and easily interpretable form.

**Table 5.1:** The Analysis of Demographic Factors by using Frequency and Percentage

Characteristics	Frequency	Percentage
Age		
- 16-20	62	15.5%
- 21-25	131	32.8 %
- 26-30	99	24.8%
- 31-35	53	13.3%
- 36-40	24	6.0%
- 41-45	12	3.0%
- Above 45	19	4.8%
Total	400	100.0%
Income		
- Below 10,000 INR	127	31.8%
- 10,000 - 20,000 INR	85	21.3%
- 20,001 - 30,000 INR	95	23.8%
- 30,001 – 40,000 INR	41	10.3%
- 40,001 – 50,000 INR	23	5.8%
- Above 50,000 INR	29	7.3%
Total	400	100.0%
Education		
- High School	63	15.8%
- Bachelor Degree	177	44.3%
- Master Degree	108	27.0%
- Doctoral Degree	18	4.5%
- Other	34	8.5%
Total	400	100.0%
Marital Status		
- Single	181	45.3%
- Married	219	54.8%
Total	400	100.0%

Based on Table 5.1, which presents the demographic profile of the respondents, the table indicates that the majority of respondents 32.5% (131) are between the age of 21 and 25; 24.8% (99) of respondents are between the age of 26 and 30; 15.5% (62) of respondents are between the age of 16 and 20; 13.3% (53) of respondents are between the age of 31 and 35; 6.0% (24) of respondents are between the age of 36 and 40; 4.8% (19) of respondents are above 45 years of age and 3.0% (12) of respondents are between the age of 41 and 45.

Personal income was measured in Indian Rupees (INR). At the time of the study (as of August, 2013), 61.41 INR was equal to US\$ 1.00. When the monthly income was analyzed, 31.8% (127) of respondents have monthly income below INR 10,000; 21.3% (85) of respondents have monthly income between INR 10,001 - 20,001; 23.8% (95) of respondents have monthly income between INR 20,001 - 30,000; 10.3 % (41) of respondents have monthly income between INR 30,001 to 40,000; 7.3% (29) of respondents have monthly income above INR 50,000 and 5.8% (23) of respondents have monthly income between 40,001 – 50,000.

In terms of education level 44.3% (177) hold a bachelor degree; 27.0% (108) hold a master degree; 15.8% (63) of respondents hold a high school degree; 8.5% (34) of respondents hold other degrees and 4.5% (18) hold a doctorate degree respectively. A total of 54.8% (219) respondents are married while 45.3% (181) respondents are single.

## **5.2 Descriptive Analysis for Variables**

Since the data for variables used in this study were collected using Interval Scale for brand equity and repurchase intention; and Semantic Differential Scale for endorser credibility, the mean and standard deviation are used in order to measure the central tendency and dispersion from the mean of sample (Malhotra, 2004).

For this part, the respondents were asked to rate their level of agreement for two independent variables which are endorser credibility (attractiveness, trustworthiness, expertise) and brand equity (brand awareness, brand associations, perceived quality, brand loyalty) and one dependent variable which is repurchase intention. Table 5.2 – 5.9 show the means and standard deviations of customers repurchase intention towards L'Oréal Paris products.



**Table 5.2:** Mean, Standard Deviation and Interpretation of Attractiveness

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
attractive-unattractive	400	1	5	4.38	.873
classy-not classy	400	1	5	4.18	.914
beautiful-ugly	400	1	5	4.40	.879
elegant-plain	400	1	5	4.10	.885
sexy-unsexy	400	1	5	3.96	1.012
Valid N (listwise)	400				

Table 5.2 presents attractiveness factors. There are five questions in this category, which have the range of mean score between 3.96 and 4.40. The highest average mean of attractiveness factor was ‘beautiful-ugly’ which is equal to 4.40. In contrast, the lowest average mean of attractiveness factor was ‘sexy-unsexy’, which is equal to 3.96. The highest standard deviation of attractiveness factor is (1.012) and the lowest standard deviation of attractiveness factor is (.873).

**Table 5.3:** Mean, Standard Deviation and Interpretation of Expertise

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
expert-non expert	400	1	5	4.04	.960
experienced-not experienced	400	1	5	4.10	.907
knowledgeable- not knowledgeable	400	1	5	4.18	.903
qualified-unqualified	400	1	5	4.01	.861
skilled-unskilled	400	1	5	4.06	.917
Valid N (listwise)	400				

Table 5.3 presents expertise factors. There are five questions in this category, which have the range of mean score between 4.01 and 4.18. The highest average mean of expertise factor was ‘knowledgeable- not knowledgeable’ which is equal to 4.18. In contrast, the lowest average mean of expertise factor was ‘qualified-unqualified’, which is equal to 4.01. The highest standard deviation of attractiveness factor is (.960) and the lowest standard deviation of expertise factor is (.861).

**Table 5.4:** Mean, Standard Deviation and Interpretation of Trustworthiness

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
dependable-undependable	400	1	5	4.04	.940
honest-dishonest	400	1	5	3.99	.895
reliable-unreliable	400	1	5	3.99	.916
sincere-insincere	400	1	5	3.97	.885
trustworthy-untrustworthy	400	1	5	4.05	.894
Valid N (listwise)	400				

Table 5.4 presents trustworthiness factors. There are five questions in this category, which have the range of mean score between 3.97 and 4.05. The highest average mean of trustworthiness factor was ‘trustworthy-untrustworthy’ which is equal to 4.05. In contrast, the lowest average mean of trustworthiness factor was ‘sincere-insincere’, which is equal to 3.97. The highest standard deviation of trustworthiness factor is (.940) and the lowest standard deviation of trustworthiness factor is (.885).

**Table 5.5:** Mean, Standard Deviation and Interpretation of Brand Awareness

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
I am aware of this brand.	400	1	5	4.28	1.000
I can recognize this brand.	400	1	5	4.35	.962
I have no doubt in recalling the brand for repurchasing it at any time	400	1	5	4.10	.985
The same brand reflects at the top of my mind	400	1	5	4.07	.914
Valid N (listwise)	400				

Table 5.5 presents brand awareness factors. There are four questions in this category, which have the range of mean score between 4.07 and 4.35. The highest average mean of brand awareness factor was ‘I can recognize this brand.’ which is equal to 4.35. The average

mean was 4.02, which is between 4 (agree) and 5 (strongly agree). In contrast, the lowest average mean of brand awareness factor was ‘The same brand reflects at the top of my mind’, which is equal to 4.07. The highest standard deviation of brand awareness factor is (1.000) and the lowest standard deviation of brand awareness factor is (.914).

**Table 5.6:** Mean, Standard Deviation and Interpretation of Brand Association

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
This brand offers good value for money.	400	1	5	4.00	.867
People identify me for the particular brand that I buy.	400	1	5	3.78	.950
I have known all descriptive information about the particular brand	400	1	5	3.94	.918
I am recognized by others for the benefits obtained from using the brand.	400	1	5	3.85	.976
Valid N (listwise)	400				

Table 5.6 presents brand association factors. There are four questions in this category, which have the range of mean score between 3.78 and 4.00. The highest average mean of brand association factor was ‘This brand offers good value for money.’ which is equal to 4.00. The average mean was 3.89, which is between 3 (neutral) and 4 (agree). In contrast, the lowest average mean of brand association factor was ‘People identify me for the particular brand that I buy.’ which is equal to 3.78. The highest standard deviation of brand association factor is (.976) and the lowest standard deviation of brand association factor is (.867).

**Table 5.7:** Mean, Standard Deviation and Interpretation of Perceived Quality

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
It is likely that the brand is of very high quality.	400	1	5	4.08	.850
It is likely that brand is of very consistent quality.	400	1	5	4.14	.860
It is likely that the brand offers excellent features.	400	1	5	4.12	.874
It is likely that the brand is very reliable.	400	1	5	4.09	.877
Valid N (listwise)	400				

Table 5.7 presents perceived quality factors. There are four questions in this category, which have the range of mean score between 4.08 and 4.14. The highest average mean of perceived quality factor was ‘It is likely that brand is of very consistent quality.’ which is equal to 4.14. The average mean was 4.10, which is between 4 (agree) and 5 (strongly agree). In contrast, the lowest average mean of perceived quality factor was ‘It is likely that the brand is of very high quality.’ which is equal to 4.08. The highest standard deviation of perceived quality factor is (.877) and the lowest standard deviation of perceived quality factor is (.850).

**Table 5.8:** Mean, Standard Deviation and Interpretation of Brand Loyalty

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
I feel loyal to when considering the purchase of this brand	400	1	5	3.99	.900
It is likely that this brand would be my first choice when considering the purchase of a cosmetic product.	400	1	5	3.91	.978
I would not buy another brand if this brand was available at the store	400	1	5	3.84	.998
Valid N (listwise)	400				

Table 5.8 presents brand loyalty factors. There are three questions in this category, which have the range of mean score between 3.84 and 3.99. The highest average mean of brand loyalty factor was ‘I feel loyal to when considering the purchase of this brand.’ which is equal to 3.99. The average mean was 3.91, which is between 3 (neutral) and 4 (agree). In contrast, the lowest average mean of brand loyalty factor was ‘I would not buy another brand if this brand was available at the store.’ which is equal to 3.84. The highest standard deviation of brand loyalty factor is (.998) and the lowest standard deviation of brand loyalty factor is (.900).

**Table 5.9:** Mean, Standard Deviation and Interpretation of Repurchase Intention

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
I have strong possibility to repurchase this brand product.	400	1	5	3.94	.875
I'm likely to repurchase this brand product.	400	1	5	3.98	.854
I have high intention to repurchase this brand products.	400	1	5	3.96	.929
The likelihood that I would pay for this brand is high.	400	1	5	3.93	.872
My willingness to buy this brand is very high.	400	1	5	3.99	.991
In near future, I would consider repurchasing this brand.	400	1	5	4.06	.865
Valid N (listwise)	400				

Table 5.9 presents repurchase intention factors. There are six questions in this category, which have the range of mean score between 3.93 and 4.06. The highest average mean of repurchase intention actor was ‘In near future, I would consider repurchasing this brand.’ which is equal to 4.06. The average mean was 3.97, which is between 3 (neutral) and 4 (agree). In contrast, the lowest average mean of repurchase intention factor was ‘The likelihood that I would pay for this brand is high.’ which is equal to 3.93. The highest standard deviation of repurchase intention factor is (.991) and the lowest standard deviation of repurchase intention factor is (.854).



### 5.3 Reliability Analysis

Cronbach's alpha is the most commonly used technique to conduct reliability analysis which reflects how well the items are positively correlated with each other (Sekaran, 2000). The widely accepted social science cut-off is that alpha should be 0.60. If the alpha value is 0.70, it is considered to be good, if the alpha value is around 0.80 it is considered to be very good and if the reliability value is 0.90 then it is considered to be excellent.

**Table: 5.10:** Result of Reliability test (Cronbach's Alpha Coefficient Table)

Operational Variables	Alpha Test
Attractiveness	.790
Expertise	.818
Trustworthiness	.864
Brand awareness	.880
Brand association	.843
Perceived quality	.890
Brand loyalty	.850
Repurchase intention	.922

The researcher distributed a total of 430 questionnaires to Indian consumers who were residing in Pune city, Maharashtra, India from 30<sup>th</sup> September to 18<sup>th</sup> October 2013. As seen in Table 5.10, the coefficient value of all variables is above 0.60 and most of them are above 0.80 indicating very good reliability of variables. The highest alpha value is .992 of repurchase intention and the lowest alpha is of attractiveness .790. Therefore the questionnaire that is being used to conduct this study is valid and reliable enough to examine its hypotheses.

### 5.4 Hypotheses Testing

In this research, Pearson Correlation Coefficient Test was utilized to test the relationship between each variable as shown in Table 5.11 to 5.17. The researcher examined the significance value, in order to judge whether the hypothesis is to be accepted or rejected.

**Hypothesis 1:**

H1<sub>o</sub>: There is no significant relationship between endorser credibility in terms of attractiveness and repurchase intention.

H1<sub>a</sub>: There is a significant relationship between endorser credibility in terms of attractiveness and repurchase intention.

**Table 5.11:** Pearson Correlation Coefficient Analysis between Attractiveness and Repurchase Intention

Correlations			
		ATRmean	RPImean
ATRmean	Pearson Correlation	1	.244**
	Sig. (2-tailed)		.000
	N	400	400
RPImean	Pearson Correlation	.244**	1
	Sig. (2-tailed)	.000	
	N	400	400

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

The Pearson Correlation coefficient analysis in Table 5.11 shows that there is a correlation between attractiveness and repurchase intention with a 2-tailed significance of .000, which is less than .01 ( $.000 < .01$ ). It means that the null hypothesis was rejected. Hence, there is a relationship between attractiveness and repurchase intention at 0.01 significant level. The correlation coefficient value was .244, which means that there is a low positive correlation attractiveness and repurchase intention.

**Hypothesis 2:**

H2<sub>o</sub>: There is no significant relationship between endorser credibility in terms of expertise and repurchase intention.

H2<sub>a</sub>: There is a significant relationship between endorser credibility in terms of expertise and repurchase intention.

**Table 5.12:** Pearson Correlation Coefficient Analysis between Expertise and Repurchase Intention

Correlations			
		RPImean	EXPTmean
RPImean	Pearson Correlation	1	.285**
	Sig. (2-tailed)		.000
	N	400	400
EXPTmean	Pearson Correlation	.285**	1
	Sig. (2-tailed)	.000	
	N	400	400

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

The Pearson Correlation coefficient analysis in Table 5.12 shows that there is a correlation between expertise and repurchase intention with a 2-tailed significance of .000, which is less than .01 ( $.000 < .01$ ). It means that the null hypothesis was rejected. Hence, there is a relationship between expertise and repurchase intention at 0.01 significant level. The correlation coefficient value was .285, which means that there is a low positive correlation expertise and repurchase intention.

**Hypothesis 3:**

H3<sub>o</sub>: There is no significant relationship between endorser credibility in terms of trustworthiness and repurchase intention

H3<sub>a</sub>: There is a significant relationship between endorser credibility in terms of trustworthiness and repurchase intention.

**Table 5.13:** Pearson Correlation Coefficient Analysis between Trustworthiness and Repurchase Intention

Correlations			
		RPImean	TRSmean
RPImean	Pearson Correlation	1	.309**
	Sig. (2-tailed)		.000
	N	400	400
TRSmean	Pearson Correlation	.309**	1
	Sig. (2-tailed)	.000	
	N	400	400

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

The Pearson Correlation coefficient analysis in Table 5.13 shows that there is a correlation between trustworthiness and repurchase intention with a 2-tailed significance of .000, which is less than .01 ( $.000 < .01$ ). It means that the null hypothesis was rejected. Hence, there is a relationship between expertise and repurchase intention at 0.01 significant level. The correlation coefficient value was .309, which means that there is a low positive correlation trustworthiness and repurchase intention.

**Hypothesis 4:**

H4<sub>o</sub>: There is no significant relationship between brand equity in terms of brand awareness and repurchase intention.

H4<sub>a</sub>: There is a significant relationship between brand equity in terms of brand awareness and repurchase intention.

**Table 5.14:** Pearson Correlation Coefficient Analysis between Brand Awareness and Repurchase Intention

Correlations			
		RPImean	BAWmean
RPImean	Pearson Correlation	1	.554**
	Sig. (2-tailed)		.000
	N	400	400
BAWmean	Pearson Correlation	.554**	1
	Sig. (2-tailed)	.000	
	N	400	400

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

The Pearson Correlation coefficient analysis in Table 5.15 shows that there is a correlation between brand awareness and repurchase intention with a 2-tailed significance of .000, which is less than .01 ( $.000 < .01$ ). It means that the null hypothesis was rejected. Hence, there is a relationship between endorser credibility and repurchase intention at 0.01 significant level. The correlation coefficient value was .554, which means that there is a medium positive correlation brand awareness and repurchase intention.

**Hypothesis 5:**

H5<sub>o</sub>: There is no significant relationship between brand equity in terms of brand association and repurchase intention.

H5<sub>a</sub>: There is a significant relationship between brand equity in terms of brand association and repurchase intention.

**Table 5.15:** Pearson Correlation Coefficient Analysis between Brand Association and Repurchase Intention

Correlations		
	RPImean	BASmean
Pearson Correlation	1	.679**
RPImean Sig. (2-tailed)		.000
N	400	400
Pearson Correlation	.679**	1
BASmean Sig. (2-tailed)	.000	
N	400	400

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

The Pearson Correlation coefficient analysis in Table 5.16 shows that there is a correlation between brand awareness and repurchase intention with a 2-tailed significance of .000, which is less than .01 ( $.000 < .01$ ). It means that the null hypothesis was rejected. Hence, there is a relationship between brand association and repurchase intention at 0.01 significant level. The correlation coefficient value was .679, which means that there is a medium positive correlation brand association and repurchase intention.

**Hypothesis 6:**

H6<sub>o</sub>: There is no significant relationship between brand equity in terms of perceived quality and repurchase intention.

H6<sub>a</sub>: There is a significant relationship between brand equity in terms of perceived quality and repurchase intention.



**Table 5.16:** Pearson Correlation Coefficient Analysis between Perceived Quality and Repurchase Intention

Correlations		RPImean	PEQmean
RPImean	Pearson Correlation	1	.719**
	Sig. (2-tailed)		.000
	N	400	400
PEQmean	Pearson Correlation	.719**	1
	Sig. (2-tailed)	.000	
	N	400	400

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

The Pearson Correlation coefficient analysis in Table 5.17 shows that there is a correlation between brand awareness and repurchase intention with a 2-tailed significance of .000, which is less than .01 (.000 < .01). It means that the null hypothesis was rejected. Hence, there is a relationship between perceived quality and repurchase intention at 0.01 significant level.

The correlation coefficient value was .719, which means that there is a high positive correlation perceived quality and repurchase intention.

**Hypothesis 7:**

H7<sub>o</sub>: There is no significant relationship between brand equity in terms of brand loyalty and repurchase intention.

H7<sub>a</sub>: There is a significant relationship between brand equity intention in terms of brand loyalty and repurchase intention.

**Table 5.17:** Pearson Correlation Coefficient Analysis between Brand Loyalty and Repurchase Intention

**Correlations**

		BLOmean	RPImean
BLOmean	Pearson Correlation	1	.775**
	Sig. (2-tailed)		.000
	N	400	400
RPImean	Pearson Correlation	.775**	1
	Sig. (2-tailed)	.000	
	N	400	400

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

The Pearson Correlation coefficient analysis in Table 5.18 shows that there is a correlation between brand awareness and repurchase intention with a 2-tailed significance of .000, which is less than .01 ( $.000 < .01$ ). It means that the null hypothesis was rejected. Hence, there is a relationship between brand loyalty and repurchase intention at 0.01 significant level.

The correlation coefficient value was .775, which means that there is a high positive correlation brand loyalty and repurchase intention.

**Table 5.18:** Summary of Results of Hypotheses Testing

Hypotheses	Statistical Analyses	Level of Significant	Correlation Coefficient	Result
H1 <sub>o</sub> : There is significant no relationship between endorser credibility in terms of attractiveness and repurchase intention.	Pearson Correlation Coefficient	.000	.244	Rejected H1 <sub>o</sub>
H2 <sub>o</sub> : There is no significant relationship between endorser credibility in terms of expertise and repurchase intention.	Pearson Correlation Coefficient	.000	.285	Rejected H2 <sub>o</sub>
H3 <sub>o</sub> : There is no significant relationship between endorser credibility in terms of trustworthiness and repurchase intention.	Pearson Correlation Coefficient	.000	.309	Rejected H3 <sub>o</sub>
H4 <sub>o</sub> : There is no significant relationship between brand equity in terms of brand awareness and repurchase intention.	Pearson Correlation Coefficient	.000	.554	Rejected H5 <sub>o</sub>
H5 <sub>o</sub> : There is no significant relationship between brand equity in terms of brand association and repurchase intention.	Pearson Correlation Coefficient	.000	.679	Rejected H6 <sub>o</sub>
H6 <sub>o</sub> : There is no significant relationship between brand equity in terms of perceived quality and repurchase intention.	Pearson Correlation Coefficient	.000	.719	Rejected H7 <sub>o</sub>
H7 <sub>o</sub> : There is no significant relationship between brand equity in terms of brand loyalty and repurchase intention.	Pearson Correlation Coefficient	.000	.775	Rejected H7 <sub>o</sub>

## **CHAPTER 6**

### **SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS**

This chapter emphasizes on the summarization of the entire study and its results. The basic purpose of this chapter is to compile and conclude the results which were presented in Chapter 5. This chapter is divided into five parts. The first part comprises of summary of demographic factors and hypotheses testing. The second part provides the discussions and implications of this study. Third and fourth part presents the conclusions and recommendations of this study respectively. And the last part provides the possibility of future research in the same field as undertaken in this research.

#### **6.1 Summary of Findings**

The prime objective of this study was to test the role of endorser credibility and brand equity in influencing repurchase intention of consumers of L'Oreal Paris cosmetics products in India. For conducting this study, the researcher opted for two independent variables which are endorser credibility and brand equity and one dependent variable which is repurchase intention. Endorser credibility was divided into three factors which are attractiveness, trustworthiness and expertise based on tri-component celebrity endorsement credibility scale developed by Ohanian, 1990. For brand equity the researcher 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.

##### **6.1.1 Summary of Demographic Factors**

The data for this study were collected by distributing questionnaires in the selected areas of Pune, Maharashtra, India, from 30<sup>th</sup> September to 18<sup>th</sup> October, 2013. A total of 400 respondents were selected as accurate target population based on one screening question.

For conducting this study the researcher has only focused on female gender as this study is based on female range of cosmetics products provided by L'Oréal Paris, India. As shown in Table 6.1, the highest percentage of respondents' age was 32.8% (131) which is between the age range of 21-25. In terms of monthly income, the highest percentage of respondents' monthly income was 31.8% (127), which is below INR 10,000.

44.3% (177) of the respondents hold a bachelor’s degree and 54.8% (181) of the respondents are married.

**Table 6.1:** Summary of Demographic Factors by using Frequency and Percentage

Characteristics	Frequency	Percentage
Age 21-25	131	32.8%
Income Below INR 10,000	127	31.8%
Education Bachelor Degree	177	44.3%
Marital Status Married	219	54.8%

**6.1.2 Summary of Hypotheses Testing**

There were seven hypotheses set up in this study. The results of findings were summarized as follows. Furthermore, Figure 6.1 shows an overview of the correlations between the variables, which are endorser credibility (attractiveness, trustworthiness, expertise) and brand equity (brand awareness, brand associations, perceived quality, brand loyalty) and repurchase intention.

**Hypothesis 1:** There is a significant relationship between endorser credibility in terms of attractiveness and repurchase intention.

**Hypothesis 2:** There is a significant relationship between endorser credibility in terms of expertise and repurchase intention.

**Hypothesis 3:** There is a significant relationship between endorser credibility in terms of trustworthiness and repurchase intention.

**Hypothesis 4:** There is a significant relationship between brand equity in terms of brand awareness and repurchase intention.



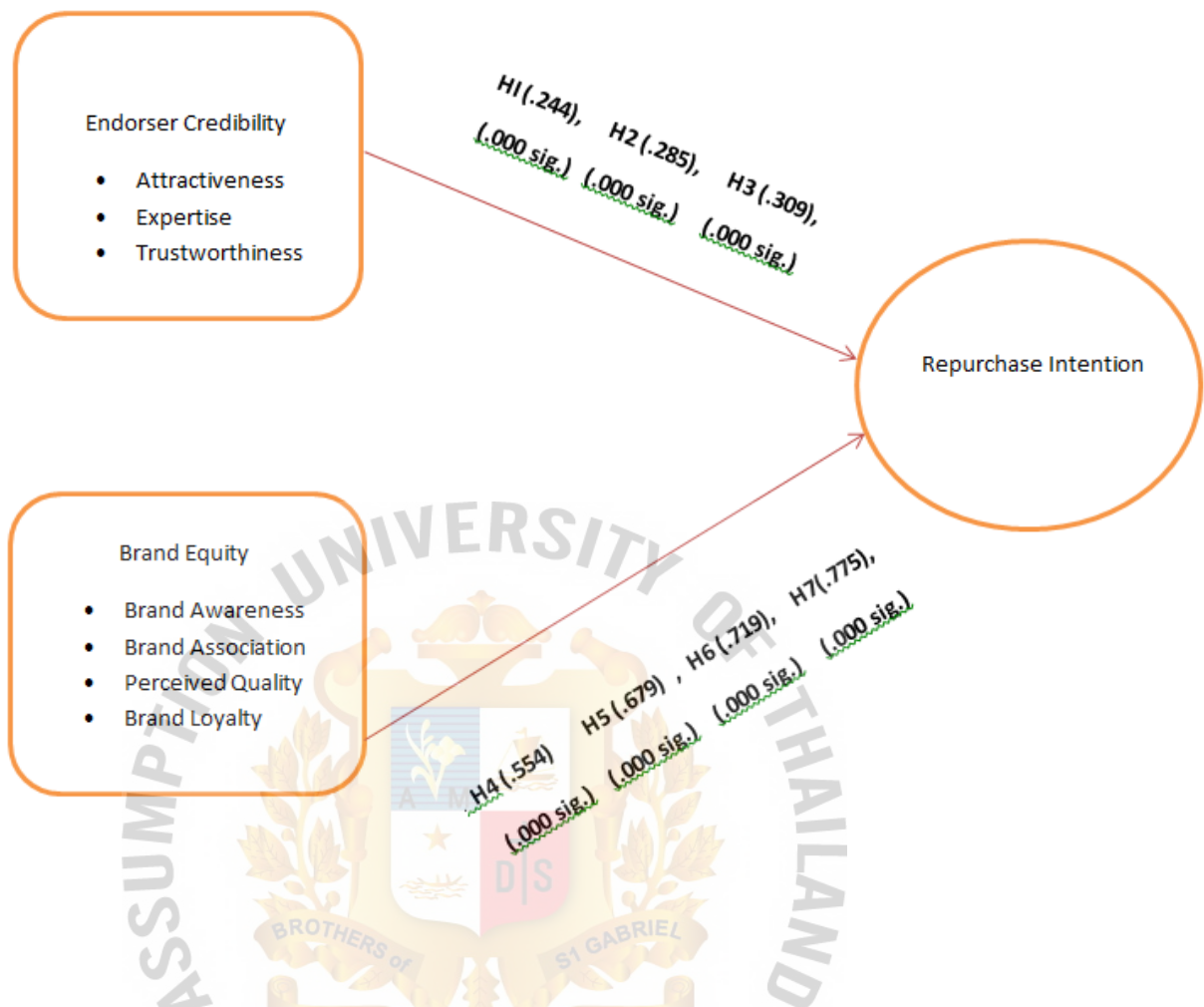
**Hypothesis 5:** There is a significant relationship between brand equity in terms of brand association and repurchase intention.

**Hypothesis 6:** There is a significant relationship between brand equity in terms of perceived quality and repurchase intention.

**Hypothesis 7:** There is a significant relationship between brand equity intention in terms of brand loyalty and repurchase.



**Figure 6.1:** Summary of Hypothesized Model Test with Correlation Value



Based on Figure 6.1 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 repurchase intension. In terms of endorser credibility dimensions, trustworthiness was found to have low positive relationship with repurchase Intension (.309), followed by expertise (.285) and attractiveness (.244), respectively.

## 6.2 Discussions and Implications

The hypothesis testing result of hypothesis 1 indicates that there is a relationship between attractiveness and repurchase intention. The correlation value .244 implies that there is a low positive relationship between attractiveness and repurchase intention. Studies have indicated that attractive endorsers possess the capability of influencing repurchase decision of consumers and changing their attitudes and opinions towards a brand (Friedman et al, 1976; Baker and Churchill, 1977).

The hypothesis testing result of hypothesis 2 indicates that there is a relationship between expertise and repurchase intention. The correlation value .285 implies that there is a low positive relationship between expertise and repurchase intention. This result is supported by Ohanian (1991) who found that expertise was a significant predictor of repurchase intentions. There are even studies which indicate that while comparing trustworthy and expert endorsers, endorsers with expertise were discovered to be more efficient in changing consumers' attitude and opinions towards repurchase decision (McGinnies & Ward, 1980).

The hypothesis testing result of hypothesis 3 indicates that there is a relationship between trustworthiness and repurchase intention. The correlation value .309 implies that there is a low positive relationship between trustworthiness and repurchase intention. According to (Friedman *et al.*, 1978) trust is the most crucial factor of endorser credibility and it is advisable for the advertising agencies to opt for well-liked celebrity endorsers. Untrustworthy celebrity endorsers are often viewed as doubtful sources despite their other caliber such as attractive appearance, good looks etc (Smith, 1973). However, this result does not coincide with Ohanian's (1991) pointed view who stated that even though celebrity endorsers may be perceived to be trustworthy by the audience, they are still not effective in influencing consumers repurchase decisions.

The hypothesis testing result of hypothesis 4 indicates that there is a relationship between brand awareness and repurchase intention. The correlation value .554 implies that there is a medium positive relationship between brand awareness and repurchase intention. This result is supported by past studies which have clearly indicated that when consumers identify and remember a brand name their probability of purchasing that brand increases because familiar products are always preferred more in comparison to unfamiliar products (Hoyer, 1990; Macdonald and Sharp, 2000).

The hypothesis testing result of hypothesis 5 indicates that there is a relationship between brand association and repurchase intention. The correlation value .679 implies that there is a medium positive relationship between brand association and repurchase intention. According to Aaker (1991), brand association as the dimension of brand equity has the ability to link itself with the memory and form different perceptions in the minds of consumers and this provides the basis for repurchase intention. Therefore, brand association and repurchase intention are correlated with each other.

The hypothesis testing result of hypothesis 6 indicates that there is a relationship between perceived quality and repurchase intention. The correlation value .719 implies that there is a high positive relationship between perceived quality and repurchase intention. Studies have shown that quality is the most critical element which affects consumers while making a repurchase decision as perceived quality provides consumers reasons to buy a product, it even helps in developing a favorable response towards the brand and this positive reaction further influence repurchase intention of a consumer (Aaker, 1991). Bloemer, Ruyter and Wetzels (1997) and Jones et al. (2002) stated that there exists a positive relationship between perceived quality and repurchase intention which would further help in forming strong levels of customer loyalty.

The hypothesis testing result of hypothesis 7 indicates that there is a relationship between brand loyalty and repurchase intention. The correlation value .764 implies that there is a high positive relationship between brand loyalty and repurchase intention. According to (Oliver, 1999), there exists a very strong relationship between brand loyalty and repurchase intention as brand loyalty confirms a repurchase promise made by the regular customers who will repurchase their constructive brands in the future without being affected by other brands

### **6.3 Conclusions**

The main purpose of this study was to test the role of endorser credibility and brand equity in influencing repurchase intention of consumers of L'Oreal Paris cosmetics products in India. The researcher mainly wanted to find which of these two variables that is endorser credibility or brand equity had a long lasting effect on the minds of consumers while making a repurchase decision. For conducting this study, the researcher opted for two independent variables which are endorser credibility and brand equity and one dependent variable which

is repurchase intention. Endorser credibility was divided into three factors which are attractiveness, trustworthiness and expertise based on tri-component celebrity endorsement credibility scale developed by Ohanian (1990). For brand equity the researcher 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. The following paragraphs describe the conclusion of this study.

The data for conducting this study were collected through a questionnaire survey of 430 respondents in selected areas of Pune, Maharashtra, India, from 30<sup>th</sup> September to 18<sup>th</sup> October, 2013. The selected areas were the two most popular shopping destinations, which are Camp area and Laxmi Road in Pune, Maharashtra, India. A total of 400 respondents were selected as accurate target population based on one screening question. For conducting this study, the researcher focused on only female gender as this study is based on female range of cosmetics products provided by L'Oréal Paris, India. The majority of respondents were aged between 21 and 25, married and holding a bachelor's degree. In terms of monthly income, the majority of them were earning below INR 10,000.

In terms of hypotheses testing the results of all 7 hypotheses depicted a positive relationship between the independent variables and dependent variable of this study. In other words, repurchase of L'Oréal Paris cosmetics products was positively influenced by endorser credibility (attractiveness, trustworthiness or expertise) and brand equity (brand awareness, brand loyalty, brand association or perceived quality).

As shown in Figure 6.1, the researcher found that in terms of brand equity dimensions, brand loyalty was found to have the strongest relationship with repurchase intention (.775), followed by perceived quality and repurchase intention (.719), brand association and repurchase intention (.679) and brand awareness and repurchase intention (.554).

On the other hand, a low positive correlation was discovered between trustworthiness and repurchase intention (.309), followed by expertise and repurchase intention (.285) and attractiveness and repurchase intention (.244) respectively.

Thus, from these findings the researcher concluded 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 relying on celebrity endorsements

#### **6.4 Recommendations**

Based on the findings of this study, there are some recommendations that the researcher would like to provide. In a country like India where people are almost crazy about celebrities and want to imitate their looks and lifestyles in every way possible, these recommendations may hopefully help L'Oréal Paris as a company to understand its overall picture in the eyes of consumers in terms of its product awareness, brand loyalty, brand association and perceived quality. Initially, the results of all the seven hypotheses depict a positive relationship between the independent variables and the dependent variable of this study. In other words repurchase intention of L'Oréal Paris cosmetics products was positively influenced by endorser credibility (attractiveness, trustworthiness or expertise) and brand equity (brand awareness, brand loyalty, brand association or perceived quality).

Based on the findings of this study brand equity turned out to be a more convincing factor in terms of influencing repurchase intention of consumers in India; the researcher would recommend L'Oréal Paris, India to focus more on its brand equity dimensions in order to expand its market share in the country. Specifically, hypotheses (H4, H5, H6 and H7) showed a highly positive relationship with repurchase intention. In terms of brand equity dimensions, brand loyalty was found to have the strongest relationship with repurchase intention. Therefore, the researcher would like to suggest the company to conduct loyalty programs for their committed set of consumers by providing them free samples, gift coupons, conducting exhibitions etc. The company may also provide loyalty cards to its customers in order to reward them for their repeated purchases, these cards can be used to record the purchase transactions of the customers which may further assist in identifying consumer buying behavior and analyzing trends from time to time. This will lead to the expansion and improvement of their brand in the market and help them compete effectively against the ever growing national and international competitors in the cosmetic sector.

On the other hand the results of this study indicate that brand awareness was found to have a medium positive relationship with repurchase intention when compared to other dimensions of brand equity, therefore the researcher would like to suggest that opening more

stores of L'Oréal Paris products and increasing its distributorship across the country will help the company in expanding its products and services, this will ultimately contribute in enhancing the brand awareness of the company. Promotions, especially price discounts can be one way to attract new consumers to experience the brand.

Entering into the male cosmetics segment would help the company to increase its awareness in the male section of India's market, this will even lead to the diversification and growth of the company. Hence, it is extremely important for L'Oréal Paris, India, to concentrate on building a strong consumer-based brand equity which consists of brand awareness, brand loyalty, brand association or perceived quality.

Although celebrity endorsements have become a popular marketing strategy in India showing no signs of decline, the main focus of Indian consumers while making a repurchase decision is whether the product worked for them or not. Specifically, their purchasing choices are, often motivated by product performance, pragmatism and value-for-money i.e., the money they paid for the product should be a solution to their problem. Cosmetics companies should take notice of this fact because when it comes to influencing repurchase intention of consumers it is recommended that companies in India should concentrate more on their product attributes, especially quality this will definitely lead to higher chances of return on investment (ROI) rather than hiring expensive celebrities and paying them handsome amounts for the brand endorsement deals.

In terms of endorser credibility all three factors (attractiveness, trustworthiness or expertise) comprising of (H1, H2, H3) were found to have a low positive relationship with repurchase but trustworthiness and expertise had a more significant and strong influence on repurchase intention when compared to attractiveness. This truly makes sense since Indian consumers have a low need for cognition and hence may tend to be more susceptible to a product endorser's trustworthiness and expertise. Based on this result the advertising agencies in India need to develop more creative advertising strategies by opting for more trustworthy and expert endorsers in order to appeal to the repurchase intentions of its target customers, rather than using standardized campaigns.

## 6.5 Further Research

In this last section of the entire study the researcher would like to provide scope for further studies which would be helpful for conducting an effective research in the field of celebrity endorsements. While conducting this study respondents from only one state of India, Maharashtra were selected as the target population. As mentioned earlier, India is a nation with diversity, where each state has its own unique language, culture, and traditions. Future researchers should replicate the current study in different parts of India to see whether similar results can be achieved or not.

In terms of gender, only women were selected as the respondents for this study but appropriate reasons for this specific gender selection were provided, the researcher focused on female gender because the study was based on the female range of cosmetics products provided by L'Oréal Paris, India. Future research can be undertaken in order to see if the findings of the current study remain consistent in terms of gender selection, i.e., if the researcher selects male as the representative population. It would be interesting to see if the influence of source credibility attributes of celebrity endorsers on repurchase intentions vary for men as compared to women. As mentioned earlier, entering into the male cosmetics segment would help the company in terms of its diversification and growth aspects as the brand L'Oréal Paris is already very popular in India and this would also provide a way for conducting future studies in order to find out the influence of celebrity endorsements on the male section of the population, as it is also a growing market now.

Also, in terms of the stimuli, celebrity endorsers have traditionally been women, therefore the female population was selected for this research. There have been endorsements in India where male endorsers have been hired to endorse female range of products, for example Mr. Shahrukh Khan the top most celebrity of Indian Film Industry appeared in an advertisement of Lux Beauty Soap during the 75<sup>th</sup> year of LUX's celebration in India. In the advertisement Mr. Shahrukh Khan was surrounded by four female actresses (Juhi Chawla, Hema Malini, Sridevi and Kareena Kapoor) while he was in a bath tub (<http://www.glamsham.com/movies/scoops/05/sep/09lux.aspt>, retrieved on 7/11/2013). Therefore, the effects of male and female celebrity endorsers endorsing cosmetic products for the opposite sex and their relevant effect on the consumer buying behavior may be a possible area for future research.

In this study the researcher has specifically focused on L'Oréal Paris cosmetics products and its celebrity endorser, there are many other brands such as Revlon, Lakmé, Maybelline etc. on which further studies can be initiated, by future researchers.



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# APPENDIX A

## QUESTIONNAIRE ENGLISH VERSION



## QUESTIONNAIRE

Dear Sir/Madam,

This academic research is being conducted as a partial requirement for the completion of my Master Degree in Business Administration at Assumption University, Bangkok, Thailand.

The main objective of this questionnaire is to test the role of endorser credibility and brand equity in influencing repurchase intention of consumers. The celebrity endorser who has been selected to inspire this research is Aishwary Rai Bachchan who has been the endorsing the brand (L'Oréal Paris) since past 13 years. This Questionnaire is the prime tool for data collection and the information provided by you will be very useful in conducting the research further. The researcher assures you that information provided by you will only be used for academic purpose.

Thank you very much for your time and cooperation



**Part 1: Screening Question**

Have you ever purchased any L’Oréal Paris Product?

☐ Yes ☐ No (Please do not continue further)

Part 2.1: Independent Variables:

There are seven independent variables which the researcher has used to conduct this study. The respondents are asked to indicate the importance of these variables in relation to repurchase intention

Endorser Credibility

For each pair of adjectives place a cross at the blank which reflects the extent to which you believe the adjectives describe the celebrity endorser (Aishwarya Rai Bachchan)

Attractive										Unattractive
Extremely	Slightly	A	M	Neither	Slightly					Extremely

1. Please mark (v) on the basis of Endorser’s attractiveness.

Attractive										Unattractive
Classy										Not-classy
Beautiful										Ugly
Elegant										Plain
Sexy										Unsexy

2. Please mark (v) on the basis of Endorser’s expertise.

Expert	_____ : _____ : _____ : _____ : _____	Not an expert
Experienced	_____ : _____ : _____ : _____ : _____	Inexperienced
Knowledgeable	_____ : _____ : _____ : _____ : _____	Unknowledgeable
Qualified	_____ : _____ : _____ : _____ : _____	Unqualified
Skilled	_____ : _____ : _____ : _____ : _____	Unskilled
3. Please mark (✓) on the basis of Endorser's Trustworthiness.		
Dependable	_____ : _____ : _____ : _____ : _____	Undependable
Honest	_____ : _____ : _____ : _____ : _____	Dishonest
Reliable	_____ : _____ : _____ : _____ : _____	Unreliable
Sincere	_____ : _____ : _____ : _____ : _____	Insincere
Trustworthy	_____ : _____ : _____ : _____ : _____	Untrustworthy

**Part 2.2:** Please mark ✓ within the level from (1) *strongly disagree* (5) *strongly agree* in the table below.



1 = strongly disagree
2 = disagree
3 = neither agree or disagree
4 = Agree
5 = strongly agree

	1	2	3	4	5
<b>Brand Equity:</b>					
<b>Brand awareness</b>					
4. I am aware of this brand.					
5. I can recognize this brand.					
6. I have no doubt in recalling this brand for repurchasing it at any time.					
7. The same brand reflects at the top of my mind.					
<b>Brand association</b>					
8. It is likely that this brand offers good value for money.					
9. People identify me for the particular brand that I buy.					
10. I have known all descriptive information about this particular brand					
11. I am recognized by others for the benefits obtained from using the brand.					
<b>Perceived quality</b>					
12. It is likely that the brand is of very high quality.					
13. It is likely that brand is of very consistent quality.					
14. It is likely that the brand offers excellent features.					

15. It is likely that the brand is very reliable.					
<b>Brand loyalty</b>					
16. I feel loyal when considering the purchase of this brand.					
17. It is likely that this brand would be my first choice when considering the purchase of a cosmetic product.					
18. I would not buy another brand if this brand was available at the store.					

**Part 3: Dependent Variable:** The dependent variable of this study is repurchase intention which refers to the probability and possibility of the consumer to repurchase the product.

Please mark √ within the level from (1) *strongly disagree* (5) *strongly agree* in the table below.

Repurchase Intention	1	2	3	4	5
19. I have a strong possibility to repurchase this brand.					
20. I’m likely to repurchase this brand product.					
21. I have high intention to repurchase this brand.					
22.The likelihood that I would pay for this brand is high.					
23. My willingness to buy this brand is very high.					
24. In the near future, I would consider repurchasing this brand.					

**Part 4: Personal data**

26. Age

- ☐ 16-20    ☐ 21-25    ☐ 26-30    ☐ 31-35    ☐ 36-40  
☐ 41-45    ☐ Over 45

27. Income (in Indian Rupees)

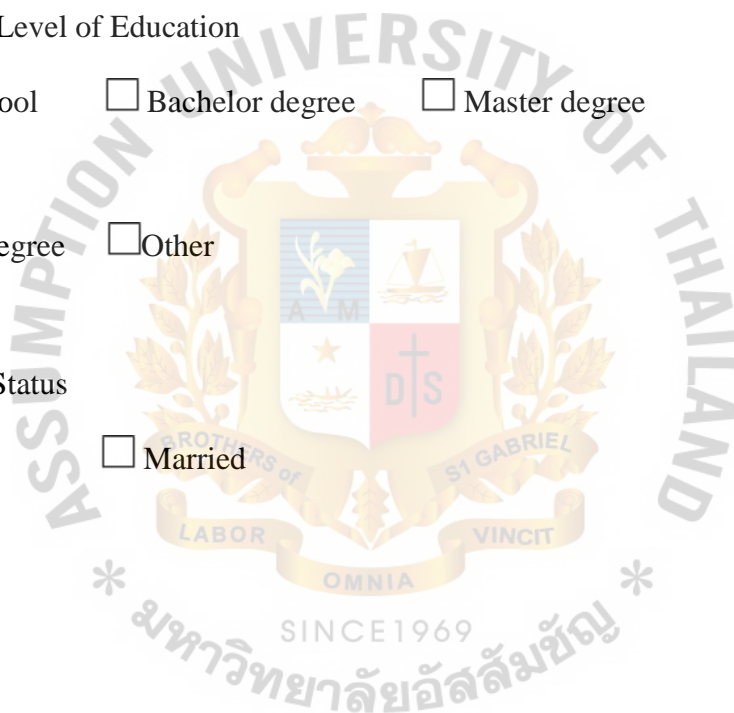
- ☐ Below 10,000    ☐ 10,000-20,000    ☐ 20,001- 30,000  
☐ 30,001- 40,000    ☐ 40,001- 50,000    ☐ Above 50,000

28. Highest Level of Education

- ☐ High school    ☐ Bachelor degree    ☐ Master degree  
☐ Doctor degree    ☐ Other

29. Marital Status

- ☐ Single    ☐ Married



## APPENDIX B

### SPSS OUTPUT



**SPSS OUTPUT**

RELIABILITY OF VARIABLES

1. Repurchase intention

Reliability Statistics

Cronbach's Alpha	N of Items
.922	6

2. Attractiveness

Reliability Statistics

Cronbach's Alpha	N of Items
.790	5

3. Expertise

Reliability Statistics

Cronbach's Alpha	N of Items
.818	5

4. Trustworthiness

Reliability Statistics

Cronbach's Alpha	N of Items
.864	5

5. Brand awareness



**Reliability Statistics**

Cronbach's Alpha	N of Items
.880	4

6. Brand Association

**Reliability Statistics**

Cronbach's Alpha	N of Items
.843	4

7. Perceived quality

**Reliability Statistics**

Cronbach's Alpha	N of Items
.890	4

a) Brand loyalty

**Reliability Statistics**

Cronbach's Alpha	N of Items
.850	3

DESCRIPTIVE ANALYSIS

AGE:

age category				
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 15-20	62	15.5	15.5	15.5
21-25	131	32.8	32.8	48.3
26-30	99	24.8	24.8	73.0
31-35	53	13.3	13.3	86.3
36-40	24	6.0	6.0	92.3
41-45	12	3.0	3.0	95.3
over 45	19	4.8	4.8	100.0
Total	400	100.0	100.0	

INCOME:

monthly income				
	Frequency	Percent	Valid Percent	Cumulative Percent
Valid below INR 10,000	127	31.8	31.8	31.8
INR 10,000-20,000	85	21.3	21.3	53.0
INR 20,001-30,000	95	23.8	23.8	76.8
INR 30,001-40,000	41	10.3	10.3	87.0
INR 40,001-50,000	23	5.8	5.8	92.8
above INR 50,000	29	7.3	7.3	100.0
Total	400	100.0	100.0	

EDUCATION:

highest education level

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid High school	63	15.8	15.8	15.8
Bachelor degree	177	44.3	44.3	60.0
Master degree	108	27.0	27.0	87.0
Doctoral degree	18	4.5	4.5	91.5
Other	34	8.5	8.5	100.0
Total	400	100.0	100.0	

MARITAL STATUS

marital status

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid single	181	45.3	45.3	45.3
married	219	54.8	54.8	100.0
Total	400	100.0	100.0	

