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### Effect of Celebrity-Endorsed Advertisement and Entrepreneurial Marketing on Purchase Behavior of Smartphone Consumers in Pakistan

#### Affiliation:

Muhammad Raza

Assistant Professor, Emaan Institute of Management & Sciences, Karachi.  
E-mail: sirraza81@gmail.com

Normalisa Md Isa

Senior Lecturer, School of Business Management, Universiti Utara Malaysia.  
E-mail: normalisa@uum.edu.my

Shamsul Huda Bt Abd Rani

Senior Lecturer, School of Business Management Universiti Utara Malaysia

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## Effect of Celebrity-Endorsed Advertisement and Entrepreneurial Marketing on Purchase Behavior of Smartphone Consumers in Pakistan

Muhammad Raza \*

Normalisa Md Isa †

Shamsul Huda Bt Abd Rani ‡

**Abstract:** This article presents the results of an investigation of the impact of celebrity-endorsed advertisement and entrepreneurial marketing on purchase behavior of smart phone consumers in Karachi, Pakistan. The study has conceptually shaped celebrity-endorsed advertisement as formative construct with celebrity physical attractiveness, expertise, trust, and familiarity as inclusive factors. For this purpose, total 247 sample responses were collected by convenience sampling technique. The data has been analyzed by PLS method. The results revealed that celebrity-endorsed advertisement and entrepreneurial marketing has a significant impact on purchase behavior. The study can be concluded that celebrity-endorsed advertisement and entrepreneurial marketing plays significant role in purchase behavior of smart phone consumers in Pakistan.

**Keywords:** Celebrity-endorsed advertisement, entrepreneurial marketing, purchase behavior, smartphones, Pakistan

## Introduction

Celebrity endorsement is the most common marketing strategy used by marketers for building brand image. Celebrities are individual who are well known in the market (TV and Movie stars, actors, athletes and entertainers) who own fame through their hard work (Rodriguez, 2008). Advertisers use celebrity in advertisements, because it helps in advertising effectiveness, in recalling the brand and it also change the purchase intention of customer (Chan, Leung, & Luk, 2013).

Celebrity endorsement is the best and credible way to spend money for the brand, as consumers easily show their association with the product. According to the consumer perception, endorse product have higher purchase value then its counter path. Using Celebrity in advertising and promotional campaigns is one of the best and effective ways to get attention from large audience, which not only helps in easy acceptance of the brand but also facilitates easy brand recall process. Marketers spend huge amount of money on celebrity endorsement because they believe celebrity is the spokesperson for their product and they can easily attract target audience towards their product (Malik & Gupta, 2014).

The most important function of marketing is to position and communicate the benefits of brand, in the mind of customer, which helps gain customer attention. Marketer's

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\* Assistant Professor, Emaan Institute of Management & Sciences, Karachi. E-mail: sirraza81@gmail.com

† Senior Lecturer, School of Business Management, Universiti Utara Malaysia. E-mail: normalisa@uum.edu.my

‡ Senior Lecturer, School of Business Management Universiti Utara Malaysia.

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responsibility is not only creating awareness, they also have to catch customer attention and create positive association between customer and celebrity and help customer to recall and change their purchase decision (Abbas, Afshan, Aslam, & Ewaz, 2018; Haroon & ul Haq, 2015).

Celebrity endorsement is used as common marketing tools for communication through which a positive brand image is build. Advertisers believe that celebrity is used for advertising effectiveness, brand recognition and brand recall (Chan et al., 2013). Most of the studies suggested that celebrity endorsement plays an important role to influence the customer, create awareness and develop interest of customer towards brand (Malik & Guptha, 2014). Mostly people easily recall those celebrity endorsers who are funny, expressive and attractive (Chan et al., 2013). There are many variables which act as the determinants of celebrity endorsement and are associated with the endorser. Physical attractiveness, trust, congruency, expertise, attitude, familiarity, experience and other are some variables categorized as the determinants of celebrity endorsement.

Numerous studies have been conducted in the domain of celebrity endorsement that include (Chan et al., 2013; Malik & Guptha, 2014; Thwaites, Lowe, Monkhouse, & Barnes, 2012). Different aspects of celebrity endorsement and determinants of celebrity endorsement has been defined, however, the determinants of celebrity endorsement utilize in the past studies including expertise, attractiveness, congruency, trust, information, experience, advertising, and credibility. Therefore, it has been identifying by the critical reviewing of the available literature that; attractiveness, expertise and familiarity, elements of celebrity endorsement have not yet been conducted or catered on a single study in a simultaneous variable setting.

Celebrity endorsement is the best way to promote your product. Consumer purchase behavior can be affected by the celebrity endorsement. When customer finds the celebrity attractive and positive, his intention to buy product increases, (Wang, Cheng, & Chu, 2013). If we have a look towards the Pakistani contexts, many people do researches on the impact of celebrity endorsement but lack of researches were conducted in regards to three variables including attractiveness, familiarity, trust and expertise of the endorser in the smartphone industry of Pakistan. The main research gap found in the Pakistan's perspective is the investigation of determinants of celebrity endorsement as influencing factor on consumers' purchase behavior. This study will help smartphone companies to use celebrity endorsements effectively.

Furthermore, the dynamic industry of smartphones and consumers' suddenly changing demands, companies strive for competitive advantage, higher profits and larger market share. Therefore, innovative and creative methods and means of marketing should be intact within the entire marketing strategy. Hence, number of past literature emphasized on entrepreneurial marketing as subsidizing factor to grasp new customer-base and larger market share (Elvira & Khaferi-Elona, 2014; Kilenthong, Hills, & Hultman, 2015; Kurgun, Bagiran, Ozeren, & Maral, 2011).

Hence, the study has aimed to examine the impact of celebrity-endorsed advertisement and entrepreneurial marketing on purchase behavior of smartphone consumers in Karachi, Pakistan. However, the study has conceptually shaped celebrity-endorsed advertisement as formative construct with celebrity physical attractiveness, expertise, trust,

and familiarity as inclusive factors.

The study will help marketers develop strategies for enhancing their profitability ratio and will also facilitate the marketers understand the importance of celebrity endorsement towards increasing the purchase pattern. Moreover, it will also provide a framework for the marketers for analyzing the factors important in selection of celebrities for their products. Besides, present study has certain limitations including specific sample size, non-probability sampling technique and target population. Otherwise, the study was confined to investigate the impact of entrepreneurial marketing and celebrity-endorsed advertisement including familiarity, expertise, trust and physical attractiveness, whereas, other variables were not included in the study.

## **Theoretical Background**

There are two main theories of celebrity endorsement which we discuss in literature: Initially, Meaning Transfer theory proposed by [McCracken \(1989\)](#) totally depend on the assumption that, all celebrity endorsers have cultural and symbolic meaning which can be transfer in the product be endorse. Without any doubt we can say that large number of meaning comprise in celebrity and they could transfer it into the goods and services such as age, gender, way of life and many other. Whenever anyone with fame or celebrity comes in advertisement or in any brand image, their image and symbols always follow them. That become their identity and people recognize them with that. The meaning transfer theory basically illustrates how celebrity gets the symbolic meaning in culture and then how that meaning transfer into the product he endorses. The general idea of this theory is based on three stages: constructing the celebrity image, then the image transfers to the product they endorse and in the last transfer of meaning from the product to the consumer mind. To adopt that theory company should have to find a lot the features of their product which also match their celebrity who will endorse that product. Company also have to find out the features of celebrity which they want to associate with the product and customer can easily relate them with that feature.

Elaboration Likelihood Theory as proposed by [Petty, Cacioppo, and Schumann \(1983\)](#) based on the elements of marketing communication through which we can influence behavior and attitudes of consumer. Theory suggested that use of central path more appropriate when the consumer or receiver are willing to see it or motivated to think about that message and he can easily think about the given message. If the person has entrusted in the message or issue, then the person can easily elaborate the message. The theory concluded that, if the receiver is motivating and able to understand the message easily then the central route is used. If the receiver is not able to elaborate the message and the argument in the mess is weak then peripheral route will use. Through that we can say that celebrity endorsement will be effective when the involvement of the receiver is weak and the attitude of celebrity effect is more significant.

## Celebrity-Endorsed Advertisement

The advertising of the products started long ago. Initially,, the products were advertised orally. After that, print media became the means of advertisement. Nowadays, Electronic media is being used for advertisement of the products. Companies use many objectives for their advertising it could be human or cartoons to convey their message to the audience. All the humans are place as modal in advertisement to convey their message are known as endorser and the term celebrity means an individual who is familiar in the public, he could be actor, sports person etc.

Phang and de Run (2007) Celebrity endorsement gives many advantages to the company in the form of brand reorganization, change consumer purchase indentation and behavior (Spry, Pappu, & Bettina Cornwell, 2011). Marketers chose those celebrities for advertisement who are credible, attractive, expert and who match the brand image. Because if they do not focus on all these aspect of celebrity their message cannot me deliver to the audience properly. Celebrities who are physically attractive can improve the image of brand and attract customer towards brand (Chan et al., 2013). Celebrities are very effective in endorsing product because of their symbolic and different reference groups. Basically celebrity did not endorse the celebrity; the reference group endorses the customer. When customer buy endorsed product they start relate them self with that group (Thwaites et al., 2012; Daniel, Crawford Jackson, & Westerman, 2018).

In this regards, expertise can be represented as qualification, authoritativeness and competence. Consumer are more likely to buy advertise brand which endorse by the celebrity who have knowledge about brand or whose profession is close to the brand. Celebrity should be knowledgeable about the product or brand. Because he will endorse customer or give information to them, which influence consumer towards brand. If the consumer is expert in the product category he can easily endorse or influence their purchase decision easily (Oyeniya, 2014).

Additionally, the attractiveness does not only mean physical but it can also include other attributes of the personality of the celebrities that attract the customers skills, personality, way he communicates and many other. Attractive celebrity has a significant impact on the customer attitude towards brand. The attractive celebrity endorses or convey message more effectively then the unattractive celebrity. Attractive celebrity also has a positive impact on the product image that's why advertisers select attractive celebrity for their advertisement (Oyeniya, 2014).

Furthermore, familiarity is an important tool for the marketers to attract customers because through this customers can relate themselves with the celebrity and believe them easily. When customer and celebrity receive similar needs, objectives and interest the objective can be easily achieve. Because when the customer associates them with celebrity they start follow them and the product they endorse. That's why advertisers use celebrities who are familiar in the market and customer can easily associate them with that celebrity. Familiarity between customer and endorser can change the customer purchase intention (Oyeniya, 2014; Baniya, 2017).

Hence, it has been empirically and theoretically manifested that physical attractiveness, expertise, trust and familiarity are inclusive factors of celebrity-endorsed advertise-

ment. Further, the celebrity-endorsed advertisement has significant influence on consumers' purchase behavior. Therefore, following hypothesis has been developed.

*H<sub>1</sub>: Celebrity-endorsed advertisement has significant impact on consumers' purchase behavior.*

## Entrepreneurial Marketing

Further, the dynamic and rapid changing requirements and demands of consumers pushing companies to identify novel and unique but effective methods and practices of marketing (Collinson & Shaw, 2001; Jayawarna, Jones, Lam, & Phua, 2014). With the emergence of new and advance marketing tools, techniques and methodologies, researchers and academics worked enormously to enrich knowledge of marketing management, talent creation and entrepreneurial activities within the organization, Zampetakis and Moustakis (2007). Whereas, emerging trends and tenacious efforts toward entrepreneurship also stressed organizations and enterprises to deviate their pathway from the aged-old methods and theories (Reijonen, Hirvonen, Nagy, Laukkanen, & Gabrielsson, 2015; Shows, Albinsson, & Stoddard, 2017). Thus, the concept of entrepreneurial marketing emerges with the real objective of grabbing the customers' viewpoint and less-privileged demands. The actual essence of entrepreneurial marketing based on the concept of novel and unique method of marketing to ensure higher profitability and larger market share. But, the concept doesn't accentuates in veiling importance of customers and their demand (Jayawarna et al., 2014; Kurgun et al., 2011; Shows et al., 2017). Thus, the literature magnificently supports the linkage between entrepreneurial marketing and purchase behavior of consumers, (Al-Manasra, Al-Zyadat, Al-Awamreh, & Alnsour, 2013; Elvira & Xhaferi-Elona, 2014; Reijonen et al., 2015). Hence, the study hypothesized as follows.

*H<sub>2</sub>: Entrepreneurial marketing has significant impact on consumers' purchase behavior.*

## Empirical Reviews

Suki (2014) aim to distinguish the Muslim and the non-Muslim consumer interest towards the celebrity who influence them towards brand and change their purchase intention on the bases of physical attractiveness, trust and expertise by using the sample size of 250 Muslim and Non-Muslim consumer. Physical attractiveness, Expertise, Product– brand congruency and Consumer attitudes towards brands variables are used in the research. Reliability analysis, Correlation analysis and multiple discriminate analysis technique are used to find the data. Result indicate that celebrity expertise are very important in differentiating the Muslim and non-Muslim. Muslim consumer focus on the expertise while choosing the celebrity.

Malik and Guptha (2014) in their research conducted investigated what will be the impact of brand mascots and celebrity endorsement on consumer buying behavior by using almost sample size of 150 respondents. They think that is brand mascots and celebrity endorsement is very effective to attract the customer. Variables they use in the study are Quality of product, Price of the product, Celebrity endorsement and Value for money.

T-test,  $x^2$  test and different mean test were used to analyze the data. The result indicates that, the celebrity endorsement and brand mascots have a significant impact on consumer buying behavior. Result also indicate that trustworthiness is the most important feature of the celebrity and it will help people to build their faith in the brand.

Wang et al. (2013) investigate what will be the effect of celebrity endorsement on the purchase intention of customer by using 202 valid samples through survey. They use advertising effect and appeal as mediators to find out their results. Variables they use in the study are Advertising appeal, Advertising effect, Advertising spokesperson and Purchase intention. Least squares Method, reliability, validity test are used to find the better result. The result indicates that the, celebrity endorsement, advertising effect and advertising appeal have a significant effect on the purchase intention of customer. Result also suggested that the experience celebrity in us of that product can affect the consumer perception of the product. Chocarro and Cortiñas (2013) examined how consumer take and understand the expert opinion about the product while selecting it by using the sample size of 164 respondents. Experts, information and response variables are used in the research. ANOVA technique has been use in the research. Result suggested that, experts can easily influence the individual who have less knowledge about the product as compare to the individual have high knowledge. Most of the time expert does not create any effect on the consumer purchase intention. It is not much easy to influence the customer, many efforts required to change consumer opinion about the product.

Oyeniya (2014) examined the relationship between product performance, purchase decision and celebrity endorsement by using the sample size of 142. Variables use in the study are trust, expert support, relate and contract. Cronbach's Alpha, Factor analysis and structural equation modal techniques use to find the data. Result suggested that the trust towards the celebrity have a significant impact on the product performance and purchase. However, celebrity attractiveness and familiarity between them have a little effect on product performance. Therefore, organizations have to focus on the attitudes while selecting the celebrity to endorse their product.

Chan et al. (2013) investigated the impact of celebrity endorsement in advertisement on brand image among Chinese youngsters by using sample of 76 Chinese adolescents. The variables they use in the study are Brand image, Advertising, Celebrities. Comparison analysis method are used to analyze the data effectively and efficiently. The result suggested that using the celebrity in an advertisement is very effective. Celebrity popularity and attractiveness make them effective endorser and Customer easily recalls those celebrities who are attractive and expressive.

Elvira and Xhaferi-Elona (2014) have studied the influence role of entrepreneurial marketing in the paper "The spontaneity of international market and the need for entrepreneurial marketing". The objective of this study is to examine the spontaneity of international market in relation to the proactive attitude and aggressive behavior and role of entrepreneurial marketing. A quantitative research design has been selected to examine the specific objective. In order to collect the data, 204 Albanian entrepreneurs were recruited. Survey questionnaire was distributed among these entrepreneurs. Key variables include entrepreneurial activity and business, business strategy and socio-demographic. Data was collected through a telephone-administered questionnaire. From the results,



it has been emphasized that 50% entrepreneurs were looking to increase their revenues and better economic situation using entrepreneurial marketing. In addition, it has been emphasized that 91.7% entrepreneurs wanted to valorize better human capital in order to augment their prestige and independence in the labor market. On the other hand, the results emphasized that professional skills and capacity were valorized by having a better social status. By using entrepreneurial marketing, more than 90% entrepreneurs have stated that they want to sell their products and services in the local market. Therefore, it has been concluded that increased partnership qualities are required by entrepreneurs to enhance their financial resources and to develop their business more profitable. The identification and promotion of better entrepreneurial marketing services can enhance and strengthen their skills and capacity. Business efforts are fostered by increasing their managerial and business skills. Entrepreneurial capacity and sensitivity has been increased from the paucity of access in financial resources in the financial market.

Hafez, El Sahn, and Farrag (2013) have studied the impact of entrepreneurial marketing in the paper "Developing entrepreneurial marketing mix: case study of entrepreneurial food enterprises in Iran". The objective of this study was to identify and examine the main attributes of entrepreneurial marketing mix in entrepreneurial enterprises. The entire focus of this study was on the top small and medium-size business entrepreneurs of Iran. A qualitative research design has been employed in this study in order to examine the particular objective. Moreover, a case study has been integrated to conceptualize the intention of this study. Systematic data reviews were used to support the findings of study. From the results, it has been examined that there was a significant difference between traditional marketing mix and entrepreneurial marketing mix. Person, product, price, place and promotion are the five significant attributes of new entrepreneurial marketing mix. In addition, risk management, personal ability, body language and communication are the sub-aspects comprised within the person element. On the other hand, new entrepreneurial marketing mix was classified by decision-making strategy under uncertainty, the participation extent of managers and individual access to social networks. Quality fitness prices, credit to loans and cooperation with distributors are the significant elements comprised within the element of price. On the other hand, the results have emphasized that place distribution comprises of innovation in distribution networks, outsourcing the distribution positions, the use of mess to distribute, market categories and distribution licensees are the new sub-aspects.

## **Research Methodology**

The study has used quantitative research approach and explanatory research design to achieve better empirical findings and conclusion in regards to celebrity-endorsed advertisement and entrepreneurial marketing on purchase behavior of smartphone consumers. Further, Population as refers to the aggregated proportion of the total population eligibly, Fitzpatrick and Wallace (2006). The study has selected smartphone consumers residing in Karachi, Pakistan as target population. Karachi has been selected due to dense population with diversified socio-cultural, background that provides opportunities to gain insightful



outcomes. Moreover, sample size refers to the number of units in the population. It helps to determine accuracy of the survey findings [Fitzpatrick and Wallace \(2006\)](#). The study has distributed total 300 questionnaires to smartphone consumers of Karachi, Pakistan. Among them, 266 were returned, whereas, 19 of them were useless. Therefore, the final sample data remained 247 responses. On the other side, the estimated minimum sample size was 204 responses at anticipated effect size of 0.10 and 95 percent statistical power. The study has used convenience (non-probability) sampling technique to gather respective sample responses from target population. In regards to data collection instrument, the study had adapted measures from [Spry et al. \(2011\)](#); [Oyeniya \(2014\)](#); [Kilenthong et al. \(2015\)](#). For data analysis purposes, the study has used Partial Least Square SEM including confirmatory factor analysis and path analysis SmartPLS 3.0 software.

## Data Analysis

Initially, the study provides descriptive statistics of respondents' profile that have participated in the study as shown in following table 1.

Table 1  
Descriptive Statistics (N = 246)

		Frequency	Percent
Gender	Male	95	38.6
	Female	151	61.4
Qualification	Under Graduate	22	8.9
	Bachelor	123	50
	Masters	73	29.7
	Others	28	11.4
Age Group	18 - 30 Years	117	47.6
	31 - 40 Years	92	37.4
	41 - 50 Years	31	12.6
	50 & Above	6	2.4
Monthly Income	Below Rs. 25000	56	22.8
	Rs. 26000 - Rs. 35000	119	48.4
	Rs. 36000 - Rs. 45000	37	15
	Rs. 46000 & Above	34	13.8
Occupation	Student	69	28
	Employed	100	40.7
	Unemployed	58	23.6
	Self-Employed	19	7.7

Further, the study has assessed three major types of statistical validities including construct validity, convergent validity and discriminant validity. The core purpose of estimating construct validity is to assess that constructs were formed appropriately [J. Hair \(2010\)](#); [Hair Jr, Hult, Ringle, and Sarstedt \(2016\)](#). The result of construct validity has been provided in following table 2.

It has been proposed by [J. Hair \(2010\)](#); [J. F. Hair, Sarstedt, Ringle, and Mena \(2012\)](#); [Tabachnick, Fidell, and Osterlind \(2001\)](#) that for construct validity, factor loadings should be at least greater than 0.60 for each measure of particular construct, whereas, it should also be statistically significant at 5 percent. Therefore, the above table clearly shows that the study has achieved construct validity. In addition, the study also assessed convergent

validity that refers to the measure of convergence among items to adequate representation of particular construct, [Fornell and Larcker \(1981\)](#); [J. Hair \(2010\)](#); [Henseler, Ringle, and Sarstedt \(2015\)](#). Following table 3 shows convergent validity including Average Variance Extracted (AVE), Composite Reliability (CR) and Cronbach's Alpha reliability analysis.

Table 2  
Construct Validity

Construct	Measures	Estimates	P value
Attractiveness	ATR1	0.850	0.000
	ATR2	0.840	0.000
	ATR3	0.870	0.000
	ATR4	0.860	0.000
	ATRS	0.880	0.000
Entrepreneurial Marketing	EMI	0.970	0.000
	EM2	0.670	0.000
	EM4	0.600	0.000
	EXP1	0.860	0.000
Expertise	EXP2	0.900	0.000
	EXP3	0.870	0.000
	EXP4	0.830	0.000
	FAM1	0.880	0.000
Familiarity	FAM2	0.910	0.000
	FAM3	0.840	0.000
	FAM4	0.820	0.000
	FAMS	0.790	0.000
	PBI	0.800	0.000
Purchase Behavior	PB2	0.810	0.000
	PB3	0.840	0.000
	PB4	0.810	0.000
	PB5	0.620	0.000
	TRST1	0.790	0.000
Trust	TRST2	0.840	0.000
	TRST3	0.750	0.000
	TRST4	0.840	0.000
	TRSTS	0.850	0.000

Table 3  
Convergent Validity

Constructs	AVE	Composite Reliability	Cronbach's Alpha
Attractiveness	0.744	0.936	0.914
Entrepreneurial Marketing	0.583	0.800	0.704
Expertise	0.749	0.923	0.889
Familiarity	0.722	0.928	0.912
Purchase Behavior	0.610	0.886	0.841
Trust	0.666	0.909	0.875

In the above table, it has clearly been proven that the study has gained convergent validity. The result shows that all the constructs have AVE coefficient greater than the proposed threshold of 0.50, composite reliability greater than 0.70, [Fornell and Larcker \(1981\)](#); [Henseler et al. \(2015\)](#); [Tabachnick et al. \(2001\)](#), whereas, Cronbach's Alpha should be greater than 0.60, ([Cronbach, 1951](#); [Nunnally & Bernstein, 1994](#)). Moreover, the study also assessed discriminant validity using three methods namely cross-loadings, [Fornell and Larcker \(1981\)](#) criterion and Heterotrait-Monotrait (HTMT) ratio. Following table 4 shows the result of cross-loadings.

For assessing discriminant validity using cross-loadings, it has been proposed that factor loadings of measures for particular construct should be greater than their loadings in other constructs, [Hair Jr et al. \(2016\)](#).

Table 4  
Cross-loadings

Measures	Attractiveness	EM	Expertise	Familiarity	Purchase Behavior	Trust
ATR1	<b>0.852</b>	0.031	0.481	0.018	0.224	0.377
ATR2	<b>0.842</b>	0.162	0.495	0.011	0.239	0.445
ATR3	<b>0.874</b>	0.069	0.459	0.084	0.296	0.494
ATR4	<b>0.860</b>	0.013	0.452	0.025	0.103	0.407
ATR5	<b>0.883</b>	0.028	0.461	-0.016	0.187	0.492
EM1	0.096	<b>0.972</b>	0.066	0.029	0.260	0.074
EM2	-0.010	<b>0.667</b>	0.009	0.171	0.084	0.023
EM4	-0.095	<b>0.599</b>	-0.161	-0.099	0.016	-0.039
EXP1	0.509	0.040	<b>0.864</b>	0.148	0.132	0.405
EXP2	0.466	0.060	<b>0.896</b>	0.189	0.137	0.356
EXP3	0.461	0.065	<b>0.870</b>	0.178	0.192	0.368
EXP4	0.443	-0.003	<b>0.831</b>	0.092	0.225	0.353
FAM1	-0.005	-0.018	0.113	<b>0.883</b>	-0.003	0.078
FAM2	0.055	0.063	0.180	<b>0.907</b>	0.045	0.173
FAM3	0.082	0.075	0.213	<b>0.843</b>	0.034	0.180
FAM4	-0.062	0.054	0.091	<b>0.820</b>	-0.015	0.068
FAM5	-0.063	0.087	0.054	<b>0.790</b>	0.002	0.037
PB1	0.176	0.194	0.109	0.008	<b>0.799</b>	0.220
PB2	0.201	0.237	0.118	0.035	<b>0.808</b>	0.147
PB3	0.247	0.162	0.176	0.030	<b>0.839</b>	0.277
PB4	0.188	0.187	0.234	0.055	<b>0.815</b>	0.246
PB5	0.107	0.130	0.087	-0.095	<b>0.625</b>	0.104
TRST1	0.383	-0.026	0.313	0.094	0.194	<b>0.795</b>
TRST2	0.392	0.055	0.336	0.113	0.262	<b>0.845</b>
TRST3	0.339	0.074	0.296	0.121	0.101	<b>0.754</b>
TRST4	0.451	0.047	0.385	0.156	0.200	<b>0.838</b>
TRST5	0.508	0.105	0.397	0.130	0.284	<b>0.845</b>

Therefore, the above table shows that discriminant validity has been achieved using cross-loadings for the study. Furthermore, following table 5 shows result of [Fornell and Larcker \(1981\)](#) criterion.

Table 5  
Fornell and Larcker (1981) Criterion

Constructs	ATR	EM	EXP	FAM	PB	Trust
Attractiveness	<b>0.860</b>					
EM	0.070	<b>0.760</b>				
Expertise	0.540	0.050	<b>0.870</b>			
Familiarity	0.030	0.060	0.180	<b>0.850</b>		
Purchase Behavior	0.240	0.240	0.190	0.020	<b>0.780</b>	
Trust	0.520	0.060	0.430	0.150	0.270	<b>0.820</b>

In the above table, it has been shown clearly that all the constructs have greater squared-root AVE in contrast to all other constructs of the study, [Fornell and Larcker \(1981\)](#); [J. F. Hair et al. \(2012\)](#). Hence, discriminant validity has been achieved by this criterion as well. Besides, following table 6 shows result of HTMT ratio for assessing discriminant validity.

Table 6  
Heterotrait-Monotrait (HTMT) Ratio

Construct	Attractiveness	EM	Expertise	Familiarity	Purchase Behavior	Trust
Attractiveness						
EM	0.118					
Expertise	0.599	0.130				
Familiarity	0.077	0.167	0.165			
Purchase Behavior	0.262	0.223	0.219	0.059		
Trust	0.584	0.104	0.479	0.139	0.284	

It has been proposed by [Henseler et al. \(2015\)](#) that all the coefficients of HTMT ratio should be less than 0.85 for each construct in relation to all other constructs. Therefore, the above table shows that the study has achieved discriminant validity using HTMT ratio. Henceforth, the study has substantial statistical persistence to analyze structural model using SEM path analysis that has been presented in the following table 7.

Table 7  
Path Analysis

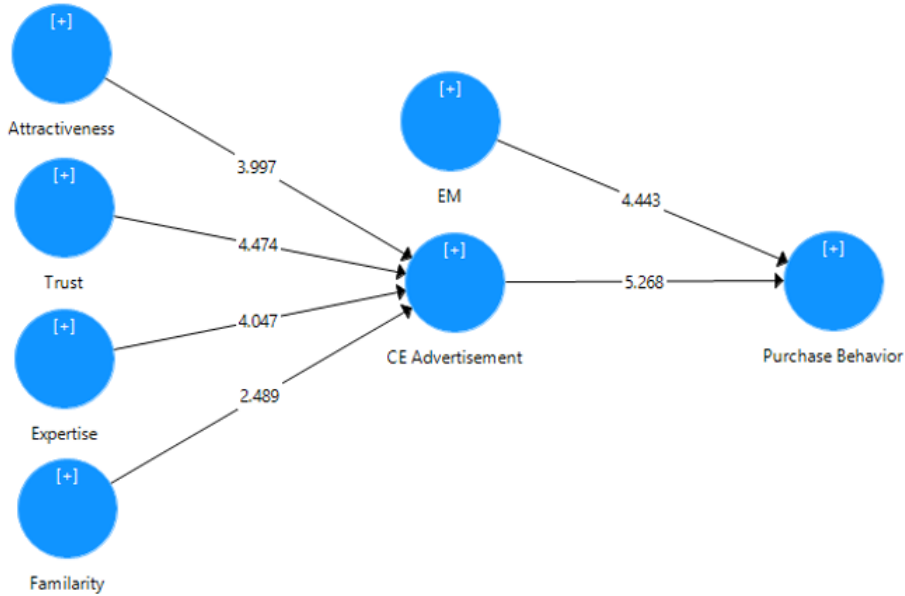
Path	Estimates	S.E.	T-Stats	P-Value
Celebrity-Endorsed Ad → Purchase Behavior	0.339	0.073	4.675	0.000
Entrepreneurial Marketing → Purchase Behavior	0.205	0.049	4.228	0.000

R-Square: 0.169

It has been empirically proven by the above table that celebrity-endorsed advertisement plays significant role in developing and defining consumers' purchase behavior toward smartphones in Pakistan. As shown above, celebrity-endorsed advertisement (0.399,  $p < 0.001$ ) has statistically significant and positive influence on purchase behavior of smart phone consumers in Pakistan. It shows that increase in one unit of celebrity-endorsed advertisement, it leads to increase of 0.339 units of purchase behavior of smart-phone consumers in Pakistan. Whereas, the entrepreneurial marketing also found as vital factor to drive consumer behavior toward smartphone. The results revealed that entrepreneurial marketing (0.205,  $p < 0.001$ ) also have statistically significant and positive impact on purchase behavior of smartphone consumers in Pakistan.

It emphasized that increasing trend of entrepreneurial marketing in dynamic and rapid-changing industries like smartphone and telecom can drive consumer behavior. Furthermore, the study also revealed that celebrity-endorsed advertisement has greater significance to purchase behavior of smartphone consumers in Pakistan as compare to entrepreneurial marketing. In the larger perspective, it has been proven empirical that both the methodologies and strategies should have considerable significance to the smart-phone industry of Pakistan.

**Figure 1**  
Virtuous Spirals: Paradigm Compares



## Conclusion and Recommendations

The study attempted to understand the dynamics of consumers' purchase behavior in tech-industry of smartphones in Pakistan. The sudden changing demand of consumers in smartphone industry cannot be neglected anyhow. Customers are paying adequate importance to advertisement and marketing efforts put in by smartphone companies in Pakistan especially. Youth and comparatively younger population inclined more towards smartphone usage and literate enormously about the recent circumstances and future trends. Hence, the companies are undoubtedly striving hard to gauge their customers' demand and act accordingly to sustain their market share and financial statement. In this regards, the study has aimed to examine the impact of celebrity-endorsed advertisement and entrepreneurial marketing on purchase behavior of smartphone consumers in Pakistan using PLS-SEM technique.

The study has taken celebrity-endorsed advertisement inclusive of physical attractiveness of the celebrity with relevant personality and image to incorporate with the brand named as familiarity, expertise and trust. The study, thus, concluded that celebrity-endorsed advertisement and entrepreneurial marketing plays significant role in purchase behavior of smartphone consumers in Pakistan. Relatively rapid-changing market dynamics, the smartphone consumers are paying considerable attention toward the marketing and advertisement campaigns of smartphones. Therefore, smartphone manufacturing and marketing companies should emphasize extensively on novel and unique tech-

niques to ensure their long-term sustainability. Partnering with global leaders in software and other features may come later but the consumers are giving their heads to celebrity endorsements. Appropriately incorporated and familiar celebrity in the advertisement can bring ample consideration toward that brand or smartphone model. Furthermore, companies also look for internal and external opportunities to revamp or renovate their marketing techniques and strategies. Unique marketing campaigns would be beneficial enough to sustain their presence and survival.

### **Practical Implications and Further Area of Study**

This study helps the marketers to analyze the behaviors of the consumers towards purchasing mobile phone and also analyzing the effectiveness of celebrity endorsement towards their purchase decision. It further helps the marketers in deciding regarding the celebrity they choose for promoting their smart phone towards the consumer. For marketers it becomes important to analyze the response behavior of the consumer, specially the preference based on genders. This study provides an arena for better understanding gender behavioral pattern towards different celebrities.

In addition to this, the study also suggests that future researchers should focus on exploring additional dimensions of entrepreneurial marketing, advertisement and marketing techniques and strategic marketing tools that enrich purchase behavior of high-tech industries. Adding further variables to the current model may also provide some beneficial results and findings. Whereas, larger sample size, bigger region and moderation of demographic or socio-cultural aspects to the structural model may significantly contributes to the literature.

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