

THE MODERATING EFFECT OF PRICE PERCEPTION ON CELEBRITY ENDORSEMENT AND PURCHASE PERCEPTION: A STUDY ON EMIRATES AIRLINES, DUBAI

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Abstract

The purpose of this paper is to develop an understanding of the moderating effect of price perception and to evaluate the impact of celebrity endorsement on the purchase intention for Emirates Airline. The research draws upon factors primarily focused on the three variables which are signified though critical reviews and collection of secondary data. Most prior researches on purchase intention and its relation with price perception and celebrity endorsement undermine the role of price perception when a celebrity is involved. However, unlike many other markets, the market of United Arab Emirates (UAE) is full of diversity. This provides the opportunity to examine the difference in attitudes towards the subject of research across the population. Upon examination of different theories and data analysis, it becomes clear that the participants are significantly swayed by the price perception leading to purchase intention. It is also known that with a positive perception of price the role of celebrity endorsement can also be easily magnified.

Keywords: *Moderating effect, price perception, celebrity endorsement, purchase intention, Emirate Airline*

Introduction

Advertisements are means of communication which involves a collective audience and are often viewed in opposition to salesmanship which entails a personal interaction between the buyer and seller (Jefkins, 2013). Advertising has shown some significant points of reference – think the use of printing press in the 1440s, or the tremendous effect of television and such. However, persuasion has stayed as an important advertising strategy. Advertisers are so motivated to grasp the audience's attention and influence

the audience to try their product or ideas, that they have started investing hugely in celebrity endorsement, nonetheless, the purchase intention of a consumer often remains unaffected (Rajput and Vasishth, 2008). Campaign planning and celebrity endorsement in advertising has been recently carried to Middle Eastern countries. Celebrity endorsement, as an aspect of advertising campaigns creates all sorts of reaction, Michal Jorden in Nike advertisement positively reached customers whereas DirecTV which cast

Rob Lowe in an advertisement didn't result in any monetary benefits for the company. In United Arab Emirates (UAE), the aviation industry has to deal with economic regulations, global connectivity, and international compliances. This led to the UAE leaders' establishment of Emirates Airlines. It was the mid-1980's when Gulf Air stopped all its air flights to the UAE, air service to the UAE was continued through Pakistan International Airlines (PIA) assistance given to Emirates Airline Investment Corporation of Dubai to regain its regional and international operations. Emirates Airlines which started with only two aircrafts, with its exceptional performance now manages over 4100 flights to 150 destinations in 80 countries (The Emirates Group, 2018).

The UAE exhibits a high standard of living where the majority sustains extensive cost and index to an average of 71.81% of the cost of living in New York City (Numbeo, 2016). However, this fails to consider the non-tax payable economy. At this point, with over 80% of the population being expats, living in the UAE combines numerous options for customers that are set to impact purchase intention and market competition. Literature has indicated excessive spending of UAE aviation companies in celebrity endorsement; in the year 2015 Emirates Airline invested about \$20 million on celebrity endorsement following Nicole Kidman advertisements for Etihad Airways (Financial Times, 2016). Although the audience responded well to the advertisement, the financial statements didn't indicate any increase in income. Emirates Airline President, Sir Tim Clark, in an exclusive interview with Independent, confirmed the fall of booking velocity by 35 percent and blamed the recent political dynamics (Calder, 2017). Emirates consideration of a celebrity-based advertisement leading to purchase intention, however, neglected the fundamental role of price percep-

tion factors proposed by Carolyn Sherif, Muzafer Sherif and Carl Hovland in Social Judgment Theory. The theory recognizes price attitude of customer to be either non-acceptable (contrast) or acceptable (assimilating) (Xia et al., 2004). This study is therefore focused on understanding the role of price perception on purchase intention and celebrity endorsement, in the UAE market.

Research problem statement and research questions

Price perception is an important predefined value range amongst consumers for any product category. It being an imperative variable leading to purchase intention, marketers often disregard the role of price, where celebrity endorsement is considered. Past literature also conceptualizes customer correspondence toward the nature of a product with its cost rather than a celebrity (Bian and Forsythe 2012). The relationships among the relationship among price perception (moderating variable), celebrity endorsement (independent variable) and purchase intention (dependent variable) have remained the core of the present research. In 2015, Emirates Airline broadcasted its first advertisement series featuring Jennifer Aniston. However, it is still unclear whether Emirates received appropriate benefits by this celebrity endorsement. Therefore, the following research question can be framed.

RQ1. What does a celebrity endorsement of Emirates Airline entail in terms of improvement in business and revenue?

Purchase intention is generally characterized as the consumer probability to buy a product or service. Likewise, it is also established as a familiar arrangement made to attempt a purchase. The idea is further supported by Li et al. (2002) as part of a behavioral view influenced by celebrity endorsement. Contrarily, not all

features incline customer purchase intention toward a product. Emirates Airline celebrity endorsed advertisement created a huge media response however the financial statement for the year didn't reflect the same hence the below research question is framed:

RQ2. What is the influence of celebrity endorsement on purchase intention?

Research by French, Wall, and Mitchell (2010) determined high and low income household spending pattern. The study concluded a reduced spending by low income households on necessities whereas high income household tend to spend more on expensive and quality products. Most of the studies report income as an insufficient factor to determine a general willingness to purchase whereas a comprehensive view considers that price perception can limit likelihood of purchase. The UAE is a region of diverse nationalities and intense competition which brings customers various options to choose from. Thus the current study looks into:

RQ3. To what extent price is perceived important by consumers at the time of purchase? This question attempts to understand the influence of price on purchase decision.

This study further seeks to recognize the moderating effect of price perception on celebrity endorsement and purchase intention. The research context related to purchase intention in previous studies has either conceptualized relationship between price perception and purchase intention or between celebrity endorsement and purchase intention. The underlined independent variables are not viewed together to recognize the correlation. Organizations now-a-days are increasingly investing on celebrities to enhance desirability and association. James Houran explains human psychology towards a celebrity and how they seek

to establish association with them through a brand (Pappas, 2012), paving way to the below research question:

RQ4. Does price perception moderate the effect of celebrity endorsement on purchase intention?

Subsequently, the following research objectives have been identified based on the above research questions:

- To determine the effect of celebrity endorsement on purchase intention regulated by price perception at Emirates Airline, Dubai.
- To suggest the appropriate marketing strategy leading to cumulative purchase intention.

Literature Review

The relationship between celebrity endorsement and purchase intention represents both positive and negative outcomes. Correspondingly, marketing literature relating the influence of price perception on purchase intention has resulted in contradictory interpretations where one school of thought supports the connection and other recognizes a disconnect. The current study intends to explore the moderating effect of price perception on celebrity endorsement and purchase intention at Emirates Airline, Dubai – UAE. Using moderating, dependent, and independent variables, the study incorporates a covariate enabling an improved assessment of the relationship (Salkind, 2010). Celebrity endorsement, in the context of this study, remains a general media message to promote a product or service.

Silvera and Austad (2004) examined the effect of celebrity endorsement and presented the deducing factors predicting consumer's attitude toward endorsement products. The model indicates social attitudes toward the advertisement determining attractiveness and knowledge of the product to improve the overall

effectiveness. The research includes three factors contributing to celebrity endorsement i.e. desirability, association, and credibility. "Celebrity Endorsements: theoretical explanations of meaning transfer – and schema-based-models – recent development" by Matthias Röderstein discussed different attributes of celebrity communication: the relative source of success in psychological, customers' source to attractiveness, and credibility of the endorser (Röderstein, 2005). In literature, income level is also seen as affecting the level of outcome by an optimum sample population. Pradhan et al. (2016) has also indicated personality traits of celebrity to impact purchase intention. Similarly, McCracken's Meaning Transfer Model proposes positive implications for marketers and show the practice of recognition and desirability drives to resonate with UAE's diverse demography and competitive structure.

Quality can be characterized comprehensively as excellence or standard of an attribute measured against others. Precisely, perceived quality can be characterized as the buyer's judgment about an item's general precision or advantage. Perceived quality is (1) different from target or real quality, and (2) an increased purpose rather than the intended feature of a product/service. A manager's traditional focus on pricing strategy is described in the book, *Industrial Marketing Management* (Kortge and Okonkwo, 1993). Similarly, in marketing literature price perception is broadly observed as a lower level attribute leading to purchase. However, the study is only apt in a similar geographical region and doesn't apply to a diverse audience.

The Social Judgment Theory proposed is also a relevant presentation of customer perception of products and services. The theory states that two human reactions

to develop a general distinction of something to be either assimilating (acceptable) or contrast (non-acceptable) (Xia et al., 2004). Hence, the current study analyzes all these concepts to synthesize a stronger argument, knowledge of previous research work and connections perceive price perception as moderating variable, celebrity endorsement as independent variable, purchase intention as dependent variable, and the skim effect of income level as a covariate.

Erdogan (1999) distinguished factors from the abstract literature that is observed to have managerial significance for choosing celebrity endorsers. He also considered several factors like attractiveness, product celebrity match, message, credibility, level of association, customer's characteristics, number of celebrities' endorsement to be all related to the effectiveness of celebrity endorsed brands. In addition to these factors, commercial visibility of endorsers, overall compatibility of marketing strategy, probable risks and regulative issues provide the literature with a discrete overview. Likewise, Prasad & Reddy (2003) indicates the use of celebrities in advertisement as a primary awareness, bringing attentiveness to the product and information to customers.

The analysis further studies the TV viewing habits of the customers and their responsiveness toward celebrity advertisements. The researchers have opined that products like soft drinks, and cars are essentially driven by celebrity endorsement. However, the advertisements under the study were subjectively using national celebrities and successfully created public interest. Bhowmick (2012) also presents a focused opinion concerning celebrity advertisement as it complements the creativity and strength of a celebrity. Marketer's views concerning brand image bring additional attention to the credibility of the endorser and

that they tend to prefer celebrities with a stable image. Thus, making high cost celebrity endorsement strategies a justifiable advertising expense.

Panwar and Agnihotri (2006) have reviewed a wide range of literature to expand knowledge of subjective management of promotional messages by urban kids in India. The study was conducted on the kids between the age group of 10-15 meant to see if commercial components like endorsers, music, trademarks, and so forth impact cognition and conception of promotional message by younger population. 250 children were observed under the study and their actions were analyzed where they responded to elements like sociability of the model, character of endorsers, trademark taglines and the music.

A successful advertisement can be celebrity driven, however, not every culture responds in a similar manner. Chih-Chung et al. (2012) studied celebrity advertising as a prevailing marketing strategy as some advertisers used numerous famous people to advance their brands. The research explained the points of interest and potential risks of multiple celebrity endorsement and reported tangible utilization of the different celebrity endorsers in few advertisements for example the drain mustache advertisement in USA. They found that these drain mustache advertisements had affected customers' view on their superstars' sex, age and so forth. In contrary, a study by Mittal & Tulsyan (2009) indicates the inappropriate use of celebrities in advertisements and how it failed to deliver the projected results. Huang (2004) analysis further expands the attractiveness associated with female athletic endorsement. Proficient female game figures are turning out to be more prominent and thus are getting financially higher endorsement contracts from

national and international companies. It was observed that 1996 summer Olympic Games delivered more female Olympians endorsers than in any past recreations of the same sort.

An association between a celebrity and a brand is long debated, perhaps more troubling in the way celebrities star power is used to fundamentally shift the consumer purchase intentions. A NexCura Inc. overview additionally discovers that 66% of purchasers coincided with the statement that celebrities are 'simply doing it for the cash and can't be trusted. The issue of credibility is critical to both marketers and purchasers. The problem caused here is that the public is not informed about the relevant conflicts between their income and the product price point.

Organizations are reducing their costs since it is believed that it will support the perceived price/value of the consumers (Gelbrich, 2011). In any case, when organizations reduce prices, an apparently basic question remains unasked: will consumers notice the price reducing or react as anticipated? Very regularly they don't since their perceived price is as significant as the actual price. Regardless of the possible ignorance from the costumers', marketers ought to ensure that customers get a good enough understanding of how the company's products cost in contrast with those of competitors. Price sensitivity is an important issue in all economies, even the stable ones, as consumers' choice is driven by two forces: customer knowledge about the alternative products and their intense disgust to experiment.

A clear majority of literature proposes that purchasers' valuation of the product price or quality depends on consumer observations of actual received product or service and what they expected of it

(Monroe 1990; Zeithaml 1998). Hence, price perception, is generally characterized in the literature as the proportionate value of the apparently purchased products vs. the price paid (Monroe, 1990). This is positively influenced by benefits and conversely affected by value (Dodds, Monroe and Grewal, 1991; Monroe, 1990; Woodruff & Flint, 2006; Zeithaml, 1996). Purchasers may see the advantages of a product or service from various points, for instance, usefulness, affability, excitability, and liability (Sheth, Newman & Gross, 1991; Sweeney & Soutar, 2001).

According to Hakimi et al. (2011), celebrity endorsement expands physical attractiveness of a product and encourages customers to purchase. Researchers have proposed numerous theories attempting to clarify the role of celebrity endorsement in advertising areas. McCracken (1989) recommended a three-stage meaning transfer model which suggests that the effectiveness of a celebrity endorser depends on the meaning they transfer to the brand and the endorsement process. Studies by McCutcheon et al. (2002) and Hung et al. (2011) generally claim that female response to celebrity endorsement is more favorable than males. Incidentally, previous studies also observed that celebrities might change consumer responsiveness for a product in a rather drastic way (Soderlund, 2003).

However, as mentioned earlier, companies need to be more careful in choosing celebrities in their endorsement. According to Ohanian (1991) three important source factors; source attractiveness, source power, and source credibility in a celebrity can imply positive characteristics in advertising. The literature includes all sorts of sample audiences. An important study on the influence of celebrity endorsement over the perception and purchase intention by Pugazhen-

thi (2014) surveys college students using a random sampling method. Since the attitude of celebrity is viewed together with the endorsed product and college students buying behavior is different, the study measured cricket stars and film celebrities influence. The results conclude a strong relationship between gender and price consciousness. In addition, it was found that gender, age, and quality status of college students appeared to under-study the influence of celebrity endorsement. It was also revealed that most of the students believed that the products in advertisements are in fact used by the endorsers (Pugazhenth, 2014). Similarly, a research by Jain & Girdhar (2014) on celebrity based advertisement and its influence on purchase intention identifies respondent's preference level for celebrity endorsed advertisement. A majority of the respondents positively reacted to motivational factors affecting their purchase intentions followed by product features. It was also observed that credibility and likeability of celebrities contribute more to brand success and recognition. Further respondents also showed interest towards the idea of hiring real-life personalities and politician in their advertisements. It is important to understand that demographic region highly influences audience reaction they belong to and that internationally recognized celebrities have a greater effect. Celebrities give cultural significance to brands and products (McCracken, 1989). This importance, or identity of the brand, is then transferred to consumers to gain the marketed information and self-image that is consistent to that of the celebrity. Marketers also attempt and set up a distinctive identity for the brands to give it a unique meaning or character (Aaker, 1997; Plummer, 2000). Further, in comparison to product related attributes, which serves the practical capacity, brand personality recognizes usage capacity (Keller, 1993). In Asian

market, product knowledge embodies perception and stimulates celebrity-brand-user personality correspondence. Likewise, a study testing the ability of celebrity endorsement, found user-brand and brand-celebrity to have significant influence on purchase intention (Pradhan et al., 2016).

As media is becoming a widely-used platform, symbolic and imagery aspects have gradually conformed to imitating behavior of celebrity products. A study conducted in Taiwan investigated the possible role of a marketing program by airline companies, the experiment involved the fictional character themed aircraft that offered customized service and hello kitty related product to the consumers. The result indicated that carriers can impact buyer's decision and purchase intention if they are offering celebrity related services. Celebrities are highly idolized in Taiwan and have a considerable moderating effect on purchase intention and consumers' perception (Wang & Ngamsiriudom, 2015). Although research has demonstrated the use of celebrity in advertisement carriers positive in relation to brand attitude and brand equity, there is no consensus on whether desirability, credibility, and attractiveness of a celebrity can influence purchase intention (Agarwal & Aggrawal, 2012). The paramount structure of purchase intention reveals a lower level of correlation with celebrity endorsement. Thus, to analyze the conformity between celebrity endorsement and purchase intention, a third variable might strengthen the effect.

In a comprehensive context, products are classified into two groups: infrequently purchased items and frequently purchased items. By contrast, frequently bought items are less price sensitive to consumers (Manzur et al., 2013). In the literature, apart from price, four other

factors are indicated to manage price perception. The price communication where the concentration is on price and the value offered against the product/service, the customer journey is the procedure for product selection, the price matrix is where price differs on the bases of use (per year or per item) and the offer structure corresponds to dissimilar impact of bundle offers and unbundled offer (Agarwal & Aggrawal, 2012). Price perception also varies on each interaction, however in the context of this study, price perception is dependent on the celebrity endorsed advertisement of Emirates Airlines.

Companies are increasingly pressurized to decrease their prices to the level that is persistent to attain quality for value. Innovation is seen to be a growth opportunity however Omni Channel pricing strategy challenges the rate parity of similar products in the market (Simon-kucher.com, 2017). The study was criticized for its single side view even though each statement had a widely-interviewed audience, employees, and analyst. In recent years, many employee training programs focus on developing staff for defending value and pricing significance of a product. Likewise, it is also observed that companies now emphasize on improving price perception though each portfolio-wide comparison, however price increase campaigns have often realized better results for organization as they prepare strongly to differentiate the offered value and rigorous practice of celebrity endorser in advertisements.

It has also been found that price perception differs on the bases of gender, age and experience and price schemes are very often designed targeting those customer segments (Munnukka, 2008). Considering the above, price perception is customers' likelihood to purchase, and can be divided into specific fundamentals,

psychological variables, and social behavior. Psychological variables are most immediate, proposing that consumer information handling procedure is nothing but acceptability or non-acceptability of an offer (Moon, Chadee, & Tikoo, 2008). Kimery & McCord (2002) have proposed that, buyers' real purchase intention depends on the benefits of their purchase decision. Further purchase intention is the likelihood and eagerness to purchase an item relating to product life expectancy and valuation (Phillips & McQuarrie, 2014). When customers develop intent and their needs are fulfilled, they will additionally want to repurchase and probably recommend to others. Similarly Strunck (2011) and Chung et al. (2012) showed that celebrity endorsement can be utilized to gauge audience attention to change their intentions and can be foreseen as a basic aim of advertising. The studies mentioned above have been conducted on the service industries in Europe and Asia and have found that in some cases, celebrity endorsement influences price perception to a great extent. Few recent studies like the investigation on the antecedents of retail shopping behavior of the senior citizens (Das Gupta, 2017) and understanding of price perception on non-celebrity endorsed product are conducted in the Middle East. Ahmed (2017) studied the demographic profile based changing priorities on online shopping and on the differences of opinion on pricing of the celebrity endorsed and non-endorsed products. Both have shown significant impacts on the outcomes.

Research hypotheses

The research includes three null hypotheses as it requires a more detailed investigation and it is often based on observations (Zikmund, 2003). Part of the available literature on many previous studies reflect that the effect of celebrity on

purchase intention is minimal and that price perception doesn't moderate the effect hence the null hypotheses have been framed. The hypotheses below are tested further in the study to develop a clear understanding of the relationship between celebrity endorsement and purchase intention, and, if price perception variable moderates the influence in Dubai, UAE.

H0a: As a result of the Emirates Airline advertisement, celebrity endorsement has no effect on purchase intention.

H0b: With regards to Emirates Airline, price perception is not regarded by consumers at the time of purchase.

H0c: With regards to Emirates Airline, celebrity endorsement does not influence price perception and subsequently the purchase intention.

Research Methodology

The present study has used a quantitative research method as it relates to the nature of the subject. Furthermore, the research emphasis was objective based therefore empirical investigation is conducted through using mathematical and computational tools. Moreover, for the purpose of this study, stratified sampling was used where the target population was divided into two subgroups - males and females. According to the latest statistics, Dubai has an estimated population of 3.20 million approx. in the year 2018 with 75% being male and 25% being female (Countrymeters.info, 2017). The population of Dubai has however witnessed a significant increase to approximately 3.13 million and of which 62% are male and approx. 38% are female (Census report, 2018). The sample size was determined with an exception of 9.8% for margin of error, confidence level of 95% and 50% response distribution that could possibly occur from the specific population which

led to a sample size of 100 respondents. Table 1 below illustrates the description of sample population:

Data Analysis

Descriptive statistics have been presented on the three focused areas of research viz.

TABLE 1. SAMPLE POPULATION DESCRIPTION

Definition	Description
Element	Dubai Residents
Sampling Unit	100
Time	Between 20 th March, 2017 to 24 th March, 2017
Strata	Male and Female

The questionnaires applied as a part of the quantitative studies were structured, with no choice for open-ended questions (Bryman, 2016). The initial step was to choose what questions the research needs to ask in alignment to the research objectives and who will be the respondents. The questionnaires were self-administered. Questions were composed in English language to select the answer closest to the truth and justification. The questionnaire was pretested with a few research professionals, which involves single time interaction. Pretesting research questionnaires can help research, identify questions that don't make much sense to the respondents and how can they be framed to gain a better prospect of the objectives (Kirklees Council, 2013). The Cronbach's alpha test indicated high level of validity with an alpha coefficient score of 0.835 for factor variables of first 10 questions. Standard deviation, percentage, descriptive statistics (mean, median & mode), regression analysis and linear graphs are the statistical tools used in the present study. ANOVA (analysis of variance) is also calculated to understand the statistical significant difference between the group means. However, before using the statistical tools, coding and data feeding is completed.

price perception as moderating variable, celebrity endorsement as independent variable and purchase intention as the dependent variable. Since the study involves three variables, confirmatory data analysis is used as it determines the significance level about a data set observing the test statistic i.e. hypotheses are true or false in a specific condition (Mcperson, 2001).

The mean price perception of the overall sample population is 4.11 with a standard deviation of 0.89 thus the estimate of the mean price perception is seen to be negative. On an average, the price perception of the sample population deviated from the mean value 4.11 by about 0.89 points. However, through median and mode it is determined that the most repetitive value and the middle value is 4.00 i.e. disagreement. Although female strata sample for the study is only 33%, the score doesn't deviate much from the overall opinion (refer Table 2):

TABLE 2. PRICE PERCEPTION

Descriptive Statistic for Moderating Variable: Price Perception			
	Overall	Male	Female
Mean	4.11	4.04	4.24
Median	4	4	4
Mode	4	4	4
Standard Deviation	0.89	0.93	0.83

The mean score of celebrity endorsement for the overall sample population is 2.27 with a standard deviation of 0.65 thus the estimate mean of the celebrity endorsement is seen close to positive. On average, the celebrity endorsement view of the sample population deviated from the mean value 2.27 by about 0.65 points. However, through median and mode it is determined that the most repetitive value is 2 and the middle value is 3 i.e. an overall agreement. Although male viewing habits determined from previous studies is seen to be lower in scale, Emirates campaign was almost seen and admired by both the genders equally. From the score collected for this study, it's also observed that both male and female audience very often come across a celebrity endorsed advertisement (refer Table 3).

customers based on their price perception and view of celebrity endorsement ad campaign.

Also it can be seen that female strata are more concerned about the price of Emirates airline ticket and in no way given in to the celebrity endorsed advertisement of the company.

While the male audience follows on the similar pattern however their view regarding the celebrity endorsement was close to neutral which make more sense in terms of their purchase intention for the brand (refer table 4).

TABLE 3. CELEBRITY ENDORSEMENT

Descriptive Statistic for Independent Variable: Celebrity Endorsement			
	Overall	Male	Female
Mean	2.27	2.28	2.25
Median	2	2	2
Mode	3	3	2
Standard Deviation	0.65	0.59	0.76

Further, the mean score for purchase intention is 4.14 which indicates negative intention of potential or already existing

TABLE 4. PURCHASE INTENTION

Descriptive Statistic for Dependent Variable: Purchase Intention			
	Overall	Male	Female
Mean	4.14	4.10	4.23
Median	4	4	4
Mode	4	4	4
Standard Deviation	0.79	0.81	0.76

After descriptive analysis and distribution of data into the mentioned group, certain observations have been recorded. Credibility scored positive on the Likert scale indicating that the audience view the celebrity endorsed advertisements of Emirates believable and realistic. The desirability is also seen as a positive influence to the brand following the presence of Jennifer Aniston in the advertisements. The majority of the respondents also agrees with the statement asked under celebrity endorsement’s association factor i.e. the ad casting Jennifer Aniston is successful. Further descriptive statistics depict the purchase intention with regards to celebrity endorsement and price perception. At the same time a large number of respondents also disagree on buying services from Emirates Airline based on the price offer and even though they consider the celebrity advertisement successful, they disagree on buying from Emirates airline.

These findings only depict a negative relationship between celebrity endorsement and purchase intention while a positive relationship is observed between price perception and purchase intention. However, these finding are not enough to test the hypotheses. Therefore a multiple regression model is administered to test the hypotheses and estimate the relationship between price perception (moderating variable), celebrity endorsement (independent variable) and purchase intention (dependent variable) and to estimate the relationship between price perception (moderating variable), celebrity endorsement (independent variable) and purchase intention (dependent variable) as mentioned earlier.

Table 5 shows the details of hypotheses testing:

TABLE 5. RESULTS OF HYPOTHESES TESTING

Serial No.	Statement of Hypotheses	Results		Regression (P-Value)
H _{0a}	As a result of the Emirates Airline advertisement, celebrity endorsement has no effect on purchase intention.	Rejected	Not Rejected	0.425719
H _{0b}	With regards to Emirates Airline, price perception is not regarded by consumers at the time of purchase.	Rejected	Not Rejected	2.19
H _{0c}	With regards to Emirates Airline, celebrity endorsement does not influence price perception and subsequently the purchase intention.	Rejected	Not Rejected	0.033345 vs. 0.425719

In Table 5 it can be seen that all the null hypotheses have been rejected based on the p-value. The null hypothesis H0a was not rejected as the P-value is above 0.05 in the second regression data table. The second null hypothesis H0b is rejected based on the P-value of 2.19E-30 which is below 0.05 in the first regression data table. Further, the third null hypothesis was rejected as the P-value is also below 0.05. It is important to note here that the p-value given to reject the third hypothesis is of 'celebrity endorsement' as provided in the first regression data table. It was also observed that the p-value of celebrity endorsement weakened with the inclusion of the third variable i.e. price perception. In view of the findings it can be assumed that if the audience have a positive price perception the effect of celebrity endorsement will be stronger than its usual impact however a negative price perception would affect the purchase intention even though the celebrity endorsement has a positive effect.

Findings and observations

The main aim of the research was to study the moderating effect of price perception on celebrity endorsement and purchase intention of the customers of Emirates Airline, Dubai – UAE. The first question asked from the respondents was to understand their price perception of Emirates Airline prices. The result showed responses leaning towards the contrast side. 83% of the respondents didn't consider the price of Emirates cheaper with respect to the price of other brands. The second question was related to the credibility of the celebrity endorsed advertisements. The respondents were asked if they think the celebrity endorsed advertisements of Emirates Airline were believable and realistic. Credibility in the study is assumed based on the Röderstein (2005) discussion of celebrity endorsement. With

a percentage of 89, respondents inclining toward positive endorsement advertisements of the company; the audience believes the advertisement to be true and realistic in nature. The third question observed the desirability aspect of celebrity endorsement. Desirability of a celebrity is important to the audience as indicated by previous studies. Here the respondents were asked if the presence of their favorite celebrity (Jennifer Aniston) in Emirates Airline advertisements increased their interest. 74% of response pattern indicated agreement for their increased interest in the advertisements of the Emirates Airline.

Association is another factor examined under celebrity endorsement. Association refers to the use of a celebrity to increase awareness and relateness (Prasad & Reddy, 2003). The fourth question aimed to evaluate the association level for which 89% respondents agreed to the statement that the advertisement casting Jennifer Aniston by Emirates Airline was effective. Further purchase intention (dependent variable) was examined in the light of both celebrity endorsement and price perception. The fifth question observed respondent's purchase intention based on the price of Emirates Airline. 8% agreed, 2% stayed neutral and 89% disagreed with the statement that they would prefer buying Emirates Airline services based on their prices. As indicated before the respondents did not consider the price to be cheaper hence the 89% response rate here depict strong positive relation. The sixth question related to Emirates Airline advertisement and in response the preference level to purchase the services of Emirates Airline rather than other brand no matter what the price. 85% disagreed, 21% neutral and 16% agreed with the statement that the prefer Emirates Airline services more based on the adver-

tisements. Here also, the majority disagreed and indicate negative purchase intention.

Question number seven, eight, nine and ten observed the general frequency of responses relating to product, celebrity, purchase, and advertisement features. Sample population stated that they very often come across advertisements featuring celebrities and that they rarely to never purchase airline tickets endorsed by celebrities. It was also developed through the survey that the respondents consider quality (of product) and price to be important features in choosing a product or service. It was also found that 33% of the population believe that the image of the celebrity and the brand match depict the chosen celebrity is suitable, 37% think the celebrity must use the product themselves and 30% think that the celebrity should be internationally recognized. Further, the demographic section included three questions relating to gender, ethnicity and income level.

Regression analysis was also conducted to explore the moderating effect of price perception on celebrity endorsement and purchase intention at Emirates Airline, Dubai in the UAE. Based on the findings, it can be generalized that the overall view of the population is negative in terms of the price of Emirates Airline which in turns also depicts negative purchase intention. The celebrity endorsement was seen to be positive; the Dubai population sees the advertisements of Emirates Airline to be credible, desired and perceived it successful. The null hypothesis (H0a) was accepted and the null hypotheses (H0b & H0c) were rejected. The findings critically answer the research question and met the aim and objectives of the study. The research papers mentioned in literature chapter by Schiffman & Kanuk (2000),

Kimery & McCord (2002), Strunck (2011) and Munnukka (2008) also show similar results. The study included a fourth objective to suggest marketing strategies to improve purchase intention. Based on the findings of the present research, it can be advised to Emirates Airlines to link appropriate endorsement and related pricing strategy as few other major airlines companies such as Qatar Airways, Singapore Airlines have been doing so since a longtime ago. This shows, the significant positive impact on the perceptions of the customers of those airlines.

Implications of research:

The findings of the present research can be applied in the theoretical advancement of the studies on the aviation market conditions in Dubai including: advertisement strategies, price perception, celebrity endorsement, public relations, subliminal advertising and comparative advertisement and so on. The above recommendations also form many possible observations relating to the research problem and objectives.

Limitations of research:

The study was purposely limited to the Dubai emirate as it is where the headquarters of Emirates Airline is situated. The researcher only studied the assimilated and contrast thresholds of the social judgment theory contributing to price perception. In terms of celebrity endorsement the factors contributions were desirability, credibility and association. The questionnaire was also single sourced which in literature is often linked to sample biasness. In the literature, many contributing factors were recognized leading to purchase intention, however, due to the confinement of study scope the true permutation of market mix couldn't be measured.

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How to cite this article: Bose, I. & Banerjee, J. (2019). The moderating effect of price perception on celebrity endorsement and purchase perception: A study on Emirates Airlines, Dubai. *Skyline Business Journal*, 15(2), 13-29. <https://doi.org/10.37383/SBJ14021902>