Impact of Aspirational Reference Group on Consumer Buying Behaviour –A Structured Model

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Abstract*: This paper introduces a Structured Equation Model that describes impact of Aspirational Reference Group on psychological constructs of consumers namely Perception, Attitude, Learning and Familiarity. This paper also explains their impact on consumer buying action. Aspirational Reference Groups always have been major stimulators of consumer purchases. Celebrity Endorsement is a major tool of using aspirational groups as impact creators. Since decades celebrities have been involved in endorsing products and offerings. Corporates are using celebrities as Brand ambassadors to generate more recall value and sales. Especially in India, in recent years celebrity endorsement has become a vital element of advertising strategy. This motivated the Researchers to study impact of Aspirational Group Appeals on psychology of consumers which in turns impacts the consumer buying behaviour.in this study 300 respondents from different demographic profiles were surveyed through a structured questionnaire. The model is created through Partial Least square-Structural Equation Modelling.*

Findings of this research projected that celebrity endorsers significantly impact the psychological constructs of consumers and also the buying behaviour. Perception is identified as most impacted psychological construct. The study established positive relationship between celebrity endorsements and consumer buying behaviour.

Keywords: Aspirational Reference Group, Buying Behaviour, Perception, Learning, Attitude

I. INTRODUCTION

Aspirational Reference Group Appeal is a promotional strategy used by corporate and also by nonprofit organizations. This includes communication through famous people namely celebrities or notable individuals utilizing their acclaimed position or their popularity in the society to help advance a product. Consumers construct their self image by connecting to their favorite celebrity or asprirational group. Consumer fans who hold para-social bond with the celebrity are driven by aspirational motives to engage in celebrity induced experiences. (Hung, Kineta 2014) Celebs are considered to bring consideration towards a specific promotion because of their agreeability and engaging quality (Erdogan, Baker, and Tagg, 2001).Celebs are individuals who appreciate open acknowledgment by an enormous portion of a specific gathering of individuals while traits like engaging quality and their way of life are simply models and explicit basic attributes can't be watched however it very well may be said that inside a comparing social gathering famous people by and large contrast from the accepted practice and appreciate a serious extent of open mindfulness. Schlecht, 2003). Celebrities are those individuals who appreciate open acknowledgment amongst an enormous gathering of individuals and have specific characteristics like trustworthiness, engaging quality and reliability beholded by themselves Silvera and Austad (2004).

Aspirational Groups elevate products/offerings and even social causes and sparkle a brilliant focus on a wide range of organizations, and that is the reason they are searched out by a wide assortment of organizations to promote their items or offerings.

In the industry 4.0, celeb supports are incomprehensibly utilized in social media ads to advance brand equity and buying behaviour of a specific item or service.

Endorsements can be the place famous people give master sentiments, going about as a representative for an item, or being connected with an item (McCracken, 1989; Seno and Lukas, 2007). Endorsements done by celebrities permits

publicists to separate an association from contenders and stand out. Celebs are seen to be trustworthy by shoppers which decidedly impact an organization's brand picture (Walker, Langmeyer and Langmeyer, 1992) and have a constructive connection with client buying aim (Yoon Kim and Kim, 1998).

Other than this, the Advertising Standards Council of India (ASCI) distributed the 'Rules for Celebrities in Advertising' to guarantee that cases made by celebs in ads are not misdirecting, bogus, and unverified.

The present study focuses on measurement of Aspirational Reference Group Impact on Consumer Buying Behaviour.Celebrity familiarity, perception towards endorsing celebrity, Motivation provided by celebrity, Attitude towards celebrity and Learning induced by celebrity are taken as components of aspirational Group Impact. These components are identified from exhaustive literature review by the researchers.

1.1 Objectives

The objectives of the research are -

1. To measure the impact of celebrity familiarity on consumer buying behavior.

2. To measure the impact of celebrity induced change in psychological constructs namely: Perception, Learning and Attitude on consumer buying behavior.

3. To identify the most impactful psychological construct from the above stated constructs.

II. LITERATURE REVIEW

Following are the glimpses of literature reviewed by researchers-

According to (Cooper 1984), he says that commercials that have VIPs increase the serious extent of the request, consideration, and review rate than those ads without famous people.

McCracken (1989) (2) characterizes a celebrity endorser as "any person who appreciates open acknowledgment and how he utilizes this acknowledgment in the interest of a purchaser decent by showing up with it in a promotion".. The term is regularly equal with riches (usually signified as an individual with notoriety and fortune), inferred with extraordinary well-known appeal, conspicuousness in a specific field, and effortlessly perceived by the overall population. Superstars have a general nearness and request. They are available in the news, design shows, and magazines or more all promotions.

Lafferty ,Barbara A, and Goldsmith E. Ronald (1999) stated that endorser believability appears to have grater disposition toward-the-advertisement, corporate validity appears to affect demeanour toward-the-brand and on purchase intentions.

(Farrell 2000) stated that celebrity endorsements bring about positive financial gains for the company. Many studies have been conducted on the endorsements done by celebrities, many of which prove that this technique has provided the company with positive effect, but in some cases researches mentions that celebrity endorsements don't work all the time.

Schlecht, C. (2003) a short evaluation of the current market circumstance demonstrates that celebrity endorsement advertising strategies can under the correct conditions without a doubt legitimize the significant expenses related to this type of promotion.

Seno, D and Lukas B.A. (2007), this research built a plot for a theoretical system that can b utilized to differentiate and direct future studies towards how product endorsed by celebrities makes value for both the brand and for the endorser himself in any case

Kumar, A. (2010) stated that individuals discover celebrity endorsements increasingly appealing especially youngsters and adolescents. Further, based on appeal individuals discover on-scree characters and entertainers from Bollywood and movies progressively powerful as endorsers. Result uncovers that utilizing a superstar in an ad expands the acknowledgment and review the pace of the embraced item. Jain (2011)Stated that celebrity endorsement legible just to a degree that the respondent's answer runs among concurs agree and can't say. This infers Celebrity Endorsement affects deals on to a little degree and those celebrities ought not generally to be utilized to support brands of different items agree and can't say Subhadip Roy (2012) considered the effect of endorsement of an overexposed celeb v/s the effect of an underexposed celeb specific brand The investigation proposed that level of superstar promotions in India is as high as 60% of the complete advertisements publicized. In this way, it isn't astounding that numerous brands

(now and again as high as 15-20) are being supported by a solitary star and then again numerous famous people are endorsing just a couple of brands.

An examination is done by Rai, Sushil Kumar, Ashish Kumar (2013) further underscores that the client will in general purchase a specific item which is being supported by a celebrity they adore or for whom they have partiality. Superstars will in general have a mass intrigue and once related to an item, celebrities can trigger a moment review in the psyches of the client. This is the motivation behind why both Indian.

Kaushik, T., Baliyan R(2017) stated the customer's perception about celebrity and non-celebrity is very unique for the two viewpoints. Customers usually like to purchase items embraced by celebrities since they can review that item effectively while shopping and they trust the brand more..

Arman Hj Ahmed (2019) stated the causal relationship do exist between celebrity endorsement and purchase intentions. Celebrity endorsement is effective in advertisements as it results in purchase intentions. Celebrity endorsements through social media have significant relationship with brand image.

2.1 Research Gap

Celebrities serve as Aspirational Reference Group for the consumers worldwide and India is no exception in this case. Indian advertisers are greatly dependent on superstars about any concerning issue these days. This research will help to gain insights on the impact of celebrity endorsers i.e.aspirational reference groups on consumer buying behavior. Many Researches have already been conducted researches on the concept of celebrity endorsement and have touched many issues like negative publicity celebrities etc but little or no research has been carried out to understand the impact of aspirational reference group on the change in consumer perception, consumer attitude and consumer learning so far. This study is an effort to fill this gap.

III. RESEARCH METHODOLOGY

This Study is a combination of exploratory and descriptive research methods. Primary data was collected using a 5-point Likert scale. The questionnaire was developed after making relevant understanding of the topic with some modifications to suit current conditions as well as multiple consumer profiles based on discussions with mentors and seniors. Structured Equation Modeling is used to create a model and to understand the relationship between variable using PLS-SEM software.

IV. CREATION OF MODEL AND TESTING

The constructs and the overall models are tested and analyzed using Structural Equation Modelling (SEM) with the help of the SMART PLS3 software. As discussed in previous chapter PLS-SEM is a 2nd generation technique used to analyze and explain the variance of the endogenous latent constructs and useful for prediction and confirmation of the theory (Joe F Hair, Henseler, Dijkstra, & Sarstedt, 2014). This method requires a two-stage assessment- first, measurement model assessment and then structural model assessment to test hypothesized relationship suggested by (Anderson & Gerbing, 1988).

4.1 Measurement Model Assessment- Indicator Reliability, Convergent   Validity, Composite Reliability

The quality parameters of the measurement model are indicator reliability, convergent validity, internal consistency, discriminant validity and multicollinearity. Indicator reliability specifies the reflective indicator loadings, the values greater than 0.5 is good measurement of the latent constructs (Hulland, 1999). Cronbach's alpha evaluates the reliability of the items regarding the internal consistency of the scale. It specifies the measure of the extent to which all the variable in scale is positively related to each other. The values of alpha suggested that being greater than 0.7 (Nunnally, 1978) in order to indicate the good reliability of the scale. Convergent validity assessed using the Average Variance Extracted (AVE) which is comparable to the proportion of variance explained in factor analysis. The values of AVE should be greater than 0.5 (Bagozzi & Yi, 1988; Fornell & Larcker, 1981). Internal consistency was measured by composite reliability (CR) which measure the reliability of the indicators, the values greater than 0.7 indicates adequate consistency (Gefen, Straub & Boudreau, 2000). The results of this study are presented in Tables no.4.1.1 & 4.1.2 all scores met the recommended minimum values criteria.

4.1.1 Construct Reliability and Validity-

	Composite Reliability	Average Variance Extracted (AVE)
Action	0.847	0.649
Attitude Towards Endorsing Celebrity	0.799	0.503
Celebrity familiarness	0.756	0.516
Celebrity Induced Learning	0.791	0.488
Motivation Provided by Celebrity	0.772	0.532
Perception towards Endorsing Celebrity	0.731	0.580

4.1.2 Discriminant Validity

Particulars	Action	Attitude	Celebrity familiarness	Learning	Motivation	Perception
Action	0.806					
Attitude	0.365	0.709				
Celebrity Familiarness	0.280	0.272	0.718			
Learning	0.358	0.463	0.256	0.698		
Motivation	0.411	0.484	0.239	0.501	0.730	
Perception	0.366	0.240	0.230	0.255	0.292	0.761

Discriminant Validity (DV) is called vertical collinearity; it measures the subjective independence of every indicator on its latent variable. To test the discriminant Validity Cross loadings criteria (Chin, 1988), Fornell & Larcker, 1981 criterion is suggested. According to the Cross loadings criteria, the average variance extracted should be higher than the squared correlation between latent variables and other variables. The above shows the values of AVEs are higher than the row and column values. This shows that subjective independence can help to reduce the presence of multicollinearity amongst the latent variable. Thus, according to Fornell & Larcker criteria, each of the latent variables should be different from each other the values of the diagonals should be higher and off-diagonals should be lower. The results are presented in Tables' no. are according to the referred criteria hence it is inferred that DV is achieved for this study.

4.2 Structural Model Assessment-

The model fit checked by assessing the two measures of model fit, i.e., SRMR (Standardized Root Mean Residuals) and NFI (Normed Fit Index). SRMR indicates an absolute measure of model fit, which asses the average magnitude of the discrepancies between observed and expected correlations. Values less than 0.08 signify the data fit the model (Joe F Hair et. al., 2014).

NFI measures the incremental measure of fit index, the values between 0 and 1 indicates data fit the model, the closer the NFI value to 1, the better the fit (Bentler & Bonett,1980). The SRMR value and NFI calculated in the models is shown in Table no.4.2.1 Thus, results have suggested a good fit for this research model.

4.2.1 -SRMR & NFI Values

	SaturatedModel	EstimatedModel
SRMR	0.094	0.094
d_ULS	1.686	1.686
d_G	0.472	0.472
Chi- Square	736.772	736.772
NFI	0.421	0.421

SRMR value < 0.10 or 0.08(Hu and Bentler, 1999; Henseler et al. 2014)

NFI value between 0 to1 is good fit (Bentler and Bonett ,1980)

4.2.2 Summary of Hypothesis Testing on Research Model-

To evaluate the direct impacts of all the hypothesized relationship, the bootstrapping method followed to assess Standard Beta values and corresponding t-values as suggested by (Joseph F Hair, Hult, Ringle, Sarstedt, & Thiele, 2017). Statistical testing of hypothesis represents that if t-value at 0.05 level of significance is greater than 1.96 (for a two-tailed test). Following are the formulated Hypotheses-
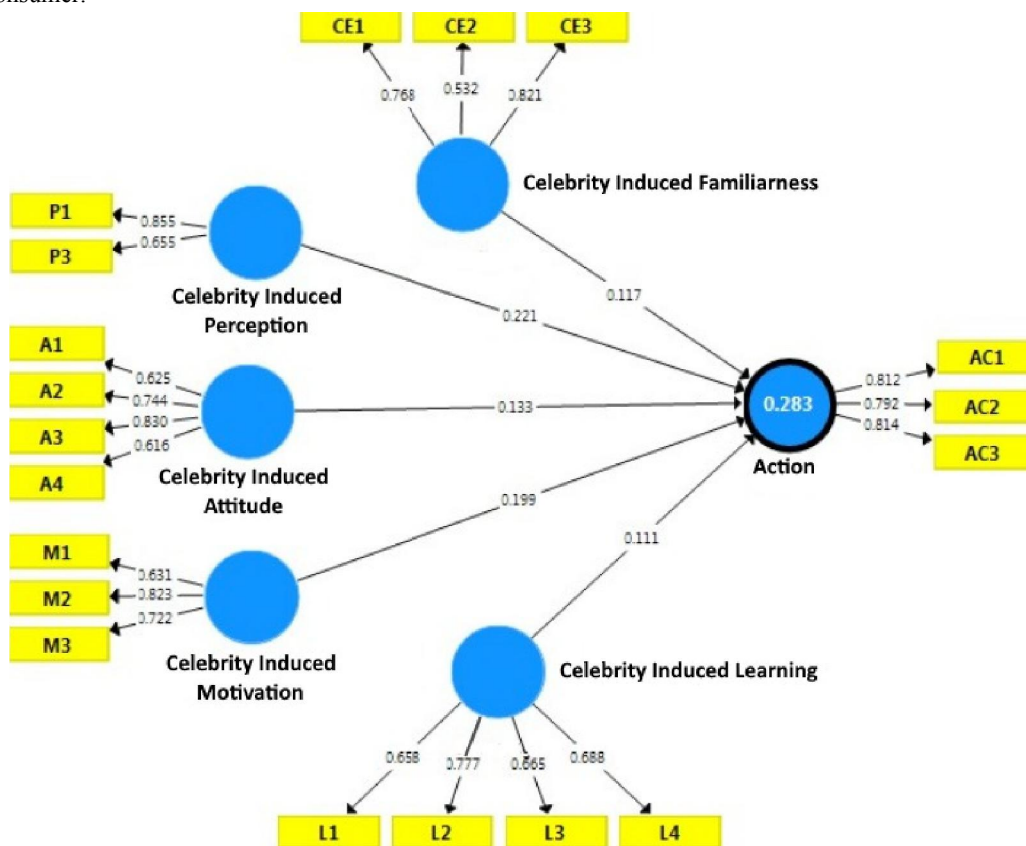
H01: The attitude towards the endorsing celebrity doesn't create significant impact on the buying behavior of the consumer.

H02: Celebrity induced familiarity doesn't create significant impact on the buying behavior of the consumer.

H03: The learning induced by celebrity endorsements doesn't create significant impact on the buying behavior of the consumer.

H04: The motivation provided by the endorsing celebrity doesn't create significant impact on the buying behavior of the consumer.

H05: The perception towards the endorsing celebrity doesn't create significant impact on the buying behavior of the consumer.

Model Fig.No.4.2.2.1

4.2.2.2-Summary of Hypotheses Testing

H.N.	Hypothesis Relationship	Original sample	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P value	Decision
H01	Attitude towards endorsing celebrity -> Action	0.133	0.136	0.076	1.749	0.080	Supported
H02	Celebrity Induced Familiarness->Action	0.117	0.129	0.061	1.911	0.050	Not Supported
H03	Celebrity Induced Learning -> Action	0.111	0.121	0.080	1.397	0.162	Supported
H04	Motivation provided by celebrity -> Action	0.199	0.197	0.082	2.436	0.015	Not Supported
H05	Perception towards endorsing celebrity -> Action	0.221	0.224	0.060	3.677	0.000	Not Supported

V. OBJECTIVE WISE FINDINGS AND DISCUSSIONS

5.1 To measure the impact of celebrity familiarness on consumer buying behavior

The findings reveal that there is significant impact of celebrity familiarness on consumer buying behaviour. Therefore the hypothesis formulated was not supported. understanding the relationship between celebrity endorsement and consumer buying will definitely lead to positive outcomes for advertisers, especially when targeting consumers. Schlecht, C. (2003) supported this as he stated a short evaluation of the current market circumstance demonstrates that celebrity endorsement advertising strategies can under the correct conditions without a doubt legitimize the significant expenses related to this type of promotion.

5.2 To measure the impact of celebrity induced change in psychological constructs namely Perception, Learning and Attitude on consumer buying behavior.

The findings reveal that Attitude and Perception towards the endorsing celebrity significantly impacts the buying behaviour, therefore the hypotheses formulated were not supported. These finding are supported by Kaushik T., Baliyan R, (2017)who argued that endorsements by celebrities likewise make a positive and ideal effect on review and buying choice. Also aligning with states the customer's perception about celebrity and non-celebrity is very unique for the two viewpoints. Customers usually like to purchase items embraced by celebrities since they can review that item effectively while shopping and they trust the brand more and also by Tanjung, S. and , Hurdrasyah H. (2016)who stated that Attitude toward Advertisement and Purchase Intention while the appeal of celebrity endorser has a progressively huge effect on Attitude toward Brand. Kakai (1987) that the use of celebrities result in altering negative towards the brand and helps in positioning and repositioning which is only possible by altering the perception of consumers.

Further the finding also reveal that Celebrity induced learning doesn't create significant impact on consumer buying behaviour. Therefore the hypothesis formulated was supported. On the contrary other studies established that celebrity presence creates learning which helps in brand cognition. Muhammad Amir and Nazish Hussain (2017), dissertation that celebrity endorsements are powerful and a relationship is four between two components of celebrity endorsements with consumer's purchase intention. The traits were – Credibility, Attractiveness, Product celebrity coordinate, and Meaning transfer. In which validity and importance moved emphatically outline the buy expectation as the examination proposes of female buyers in the field of beauty care products depicts the learning behaviour of consumers through celebrity endorsements which motivates them for making a purchase.

5.3 To identify the most impactful psychological construct from the above stated factors.

The findings reveals that perception is highest impact creating psychological construct among all the constructs taken under study. Therefore the hypothesis formulated was not supported. Somdutta Biswas(2009) demonstrated that there is positive impact of celebrity endorsements on perception of consumers. Zafar Q. et al (2012) stated that endorsing celebrity has significant impact on consumer perception.

VI. CONCLUSION AND SUGGESTIONS

In today's serious advertising clutter, with the purpose to differentiate products from competitors, celebrity endorsement strategy can be a successful competitive tool for companies in established and saturated markets. The present paper makes an attempt to discuss the role of celebrity endorsements in creating an impact on consumer buying behaviour. Since majority of the respondents of the present study consists of students, the result shows slight dominance of respondents coming from youngsters who support celebrity endorsements more than the elders do. It was found that Celebrity Endorsements allow an overall evaluation to be done before buying a product which persuades them more for making a purchase majorly. Hence, the results of this study indicate that companies must associate with celebrities who are likely to create high creditability and aid in making consumer aware regarding the product The present research also suggest that marketers should choose celebrity endorser who is the most popular in order to target the consumer, the respondents favoured movies & television stars more influencing than others as endorsers, this favourability is also supported by celebrity brand valuation report by Duff & Phelps (2018).

The research results matched mostly with the findings of Kumar, A. (2010) who stated that individuals discover celebrity endorsements increasingly appealing, especially youngsters and adolescents

VII. LIMITATIONS & FUTURE SCOPE OF RESEARCH

There was a lack in accessibility and reach towards the respondents in such a short span of time, The sample size for this research is limited to 300 respondents. Due to scarcity of time the primary focus was given to the relevant literature contributing to the research topic.

Future research can be conducted on a broader scale on the basis of gender, disposable income and product categories. Increasing the scope of similar studies focusing on the entire city or even the state and covering all consumers from all categories of occupations may provide more insights and interesting facets with respect to the impact of celebrity endorsements on the buying behaviour.

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