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# Linking Celebrity Endorsement and Luxury Brand Purchase Intentions through Signaling Theory: A Serial-Mediation Model involving Psychological Ownership, Brand Trust and Brand Attitude

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#### **Abstract**

Celebrity endorsements create a magnitude of meaningful differences among luxury brands that subsequently generate skyrocketing sales fueled by celebrity-inspired consumer's confidence. The present study explores the impact of celebrity endorsements as a modern marketing technique on customers' purchase of luxury brands. Applying the signaling theory and quantitative research approach, a standardized questionnaire facilitated a survey of 300 potential buyers of luxury brands in Pakistan. The partial-least squares structural equation model (PLS-SEM) based findings revealed that celebrity endorser has a favorable impact on consumers' perceptions of psychological ownership, brand trust and brand attitude. Notably, the customer's psychological ownership, brand trust, and brand attitude significantly mediate celebrity endorsement and luxury brand purchase intentions through multiple pathways. The present study offers new insights on the theoretical and practical consequences of celebrity endorsement for luxury brands, especially pinpointing the potential mediating channels (i.e., psychological ownership, brand trust, and brand attitude) that can significantly enhance customer's confidence and purchase intentions of luxury brands.

**Keywords:** celebrity endorsement, psychological ownership, brand trust, brand attitude, signaling theory, luxury brand purchase intentions, Pakistan.

#### 1. Introduction

Globalization, communications technology, and international travel have transformed the globe into a massive integrated market, obliterating geographical boundaries to commodity consumption, ideas, technology, and creativity. The global trade will be increased and therefore customers will have exposure to a wide variety of luxury brands (LB), henceforth

which will enable an individual to acquire these brands. LB represent the symbolic significance of distinction and class not just because of their practical worth, high quality, and price (Shan et al., 2021) and it would be fascinating to investigate customers' emotions when they adorn themselves with goods that discreetly communicate luxury, exclusivity, and extravagance (Shan et al., 2021). In this study, we defined LB is a result of branding which has been carefully produced and is noticeable. For this study, we concentrated on well-known LB on a national/international scale.

Celebrity endorsement (CE) henceforth has been one of the most popular advertising and marketing strategies worldwide (Tian et al., 2021). Traditionally, the concept of celebrity may be explained as a well-known individual known by society and regarded as a role model for society because of professional skills or physical attractiveness (Roy et al., 2021). Celebrities are a popular means of promoting marketers' brands, products, and services. By transferring a celebrity's pleasant image and features to the brand, marketers attempt to encourage customers to buy or use the product or service recommended (Rai et al., 2021). Many scholarly studies have shown that celebrity support increases publicity efficiency substantially (Carlson et al., 2020). Companies are increasingly turning to digital media influencers (also known as "micro-celebrities"), such as "vloggers" and "Instafamous" characters, to promote their businesses, besides using "conventional" celebrities such as actors, supermodels, and athletes to add value to their businesses. Unlike conventional superstars who have won public recognition via their talents in the world of social media, social media influencers (now called "influencers") have become famous by branding themselves effectively as professionals on digital media platforms (Rogers, 2020).

According to the "Signaling theory" (Jensen, Head, & Mergy, 2020), the resemblance or congruence between one's self-image and a brand's image boosts the salience of brand trust drive to acquire. Celebrities are associated with supporting different occasions since the mid of eighteenth-century (Yu & Hu, 2020). With the consistent number of celebrityassociated endorsements, the branding of products and services is further augmented. Conceivably it has been valued as one of the significant instruments of publicizing (Saldanha et al., 2020). Celebrities are acknowledged to bring attention towards a specific commercial because of their sociability and engaging quality (Guo & Ren, 2020). Advertisers use CE to affect the buying choice of shoppers to build deals and extend their market share in the overall industry (Robson et al., 2020). In the expressions of Schouten, Janssen, and Verspaget (2020) superstars are those famous people who adore public acknowledgment among a great cluster of individuals and own distinguishing abilities like appeal and reliability. CE business has developed as a million-dollar industry nowadays (Campbell & Farrell, 2020). CE is also similarly popular in the service industry. Celebrity is an individual involved with TV, entertainment, modeling, film industry, sports, politics, or business (Carrillat et al., 2019). In this digital age of marketing, an animated character like Fred Flintstone are also considered a celebrity (Campbell & Farrell, 2020). Big-name endorser is an individual who is known by overall society for their doings in various fields rather than that of the merchandise endorsed. Promoters make use of this open

acknowledgment for the sake of a user good by showing up with it in a notice (Kim & Kim, 2021).

A significant number of studies reported in marketing literature have examined how CE affects customer's buying intentions (Aw & Labrecque, 2020). Regardless of the usually constructive aspects of endorsement on the appraisal of items, which has been substantiated in different investigations (Carlson et al., 2020), at times, celebrities cannot considerably help endorse goods (Rai et al., 2021). They may even harm a brand if buyers discover that a current endorser has acquiesced to an offense (Albert et al., 2017). These differentiating consequences show how CE is mind-boggling and can be affected by a few factors (Schouten et al., 2020). As a result, the current study contributes to a deeper knowledge of luxury brand customers and how CE influences them.

The purpose of this study is to investigate the link between the major roles of CE in creating customer intention to purchase LB. In addressing these concerns, this study seeks to cover two major gaps in this research stream the link between celebrities and the brand attitude of the customer and the link of CE with psychological ownership enhances the purchasing intention of customers. This study is the first to explore these major research problems in the context of Pakistan. Thus, giving a valuable contribution to the theory and practice of the CE and PI works of literature of the luxury brand.

This study theoretically relies on signaling theory to give empirical evidence of the role that celebrities play in signaling quality to customers. Contrary to popular belief, this research shows that celebrity endorsers may be more useful for boosting brand attitude and trust. For this purpose, this research increases the understanding of a CE capacity to enhance consumer PI. This work offers policymakers valuable insight on the usage of CE in branding and marketing activation in strengthening their sales volume in developing countries like Pakistan. In the next part, we conceptualize the underlying theory and evaluate the literature on CE and LB PI before formulating hypotheses. This study concludes with implications and suggestions for future research.

#### .2. Literature Review

## 2.1 Celebrity Endorsement

It is vital, but challenging, to use an adequate CE to market a business (Dinh & Lee, 2021). Firms utilize various aspects of celebrity to minimize risk, such as image recruitment, familiarity, brand/celebrity match-up, etc., and one of the most significant of all is the trustworthiness of celebrities (Chen et al., 2021) Celebrity credibility means the amount to which the beneficiary sees the source as having relevant knowledge or experience and trusts the source for giving unbiased information. This is a matter of fact that CE has become a standard feature in marketing plans, with research showing that they are used for approximately 25% of US advertisements (Tian et al., 2021), in European countries 25% (Fernández Gómez et al., 2021) and Asia, up to 65% (Sharma et al., 2021).

Influencers get followers in the millions by curating material from their everyday life and distributing it via social media sites such as Instagram and YouTube, all while focusing on a single topic (Brown & Tiggemann, 2016). Influencers established their careers on the internet and previously the broader public is unknown, despite the fact that 'traditional'

superstars have also gone to social media (Hyun et al., 2021). Superstars have also gone to social media, and marketers are spending significant sums on CE (Schimmelpfennig, 2018). Not only do influencers have the capacity to directly affect a wide audience's purchase decisions, but they also perceive their supporters as reliable sources of information.

Celebrity endorsement is a renowned marketing communication strategy worldwide that permits vendors to take benefit of celebrities' fame in endorsing their goods (Carrillat et al., 2019). However, there is constrained comprehension of how CE supports impact shopper's inspiration and mindfulness towards the item and its administration of an embraced brand (Hussain et al., 2020; Srivastava, 2021). It is commonly acknowledged that the endorsements of celebrities have beneficial impacts on brands, buying choices, products, and the value of stocks. An exchange of representative implications delivers according to Legendre and Baker (2021), the accomplishment of celebrity support; the socially applicable emblematic implications initially live in the superstar, and, through the underwriting, they move to an item, and from the item to the purchaser.

Moreover, in online social media advertising, CE is a generally established approach (Mittal, 2017). Extravagance brands utilize their online social media accounts to post images of famous personalities utilizing their products (Raza & Zaman, 2021a). Yet, they are stood up to with the difficulty of whether to standardize or localize their superstar endorsers for diverse marketplaces. This issue of whether to acquaint their ads to nearby markets has been frequenting extravagance brands for a significantly long time. A few experts propose that standardized advertising could assist with keeping up a uniform and reliable brand picture (Manyiwa\*, 2020) and help in creating a sturdy worldwide brand identity, which is frequently accompanied by the acuity of status and leads to prompts innovative buy goal (De Pelsmacker et al., 2018); different examinations locate that significant change over is essential for products to address local residents desires and sense of taste (Hultén, 2017), in light of the fact that social norms and customs are amazing powers forming buyer observations and practices (Yu & Hu, 2020).

Before the online networking age, most extravagance brands will in general adhere to a normalized procedure when they promote in broad communications (e.g., magazines) (Ko et al., 2019). Pakistan is viewed as a culturally different markets in contrast with western areas. LB with Western birthplaces use substantially more normalized Western superstar endorsers than confined non-Western celebrity endorsers in their magazine advertisements (Strebinger et al., 2018). Though, nowadays, extravagance brands utilize more often local personalities in online social media advertising. For instance, Pepsi displays consistently Pakistani celebrities on its online social media pages. Is demonstrating local celebrity endorsers in online social media progressively viable for LB? Are there some other variables influential for brand success? This is a significant inquiry for LB because social media has converted into an important touchpoint for them to put attention to their online shoppers (X. Liu, Shin, & Burns, 2019) and CE is one of the most significant plans for social media publicizing (Jarman et al., 2021).

In a relevant study, Olausson, (2018) reported that a fashion brand weekly blog post led to a higher brand position and, an increased buying intention than a single online magazine piece because readers felt more connected to the blogger. Even Though none of these studies directly compiled the effect of influencer endorsements with traditional shapes of support marketing, meetings with women using Instagram, influencers are seen as more genuine and reliable than traditional women (Lalancette & Raynauld, 2019). In a previous study, which compared the efficacy of CE with product reviews of an unknown 'regular' customer, participants were better off encouraged by a reputable consumer about a marketed experiencing product (Hedhli et al., 2021). While a scientific study on influencer support appears in its infancy to confirm the acknowledged efficacy of influencer approvals as a marketing technique, it shows that influencers might currently have a greater impact than conventional celebrities on brand attitudes and purchasing habits (Mittal, 2017). Thus, we predict influencer approvals to lead to more publicity efficiency than celebrity approvals. In this study, we assess the efficacy of advertising in terms of advertising attitude, advertising product attitude, and buying intention (McCormick, 2016). Finally, the hypothesis presented below is offered.

► H₁: Celebrity endorsement has a positive influence on the brand attitude

#### 2.2 Brand Trust

The concept of brand trust is explained as the customers believe regarding various brands will fulfilled needs and aspirations to develop recurrent buying behavior to engage the brand trust, and to develop a relationship between brand and consumer when customers have confidence in the product (Chaudhuri & Holbrook, 2001). Consequently, according to Chen and Cheng (2019) trust is portrayed as a market willingness of the customer to return to a brand. Additionally, brand trust is defined by Chinomona and Maziriri (2017) as the intention of customers towards the brand, taking into consideration consumer advantages and solutions, and the ability, ability and, necessity to reach customers' wishes and wants. Gupta and Ramachandran (2021) think that brand trust needs a deliberate approach. Hence, it may well be describing that brand trust in a corporate relationship is a critical element for defining an individual's mindset (Ozdemir et al., 2020). Thus, managers must regard this as fundamental to successful companies, so the following hypothesis has been proposed:

➤ **H**<sub>2</sub>: Celebrity endorsement has a positive influence on brand trust

#### 2.3 Psychological Ownership

Psychological ownership, or the sense of "It's mine!" has lately received a lot of attention in the marketing literature (Pierce et al., 2001). Many studies have focused on outcomes such as willingness to pay (Sharma et al., 2021), word of mouth (Saleh, Ebeid, & Abdelhameed, 2015), and PI (Singh & Banerjee, 2019). The current study sheds light on the darker side of psychological ownership it is potential to manifest as consumer behavior (Dawkins et al., 2017). According to studies on consumers (McCormick, 2016), individuals are sensitive to the line of choice that defines the borders of their numerous psychologically owned goals. As a result, in public situations such as marketplaces, the potential for perceived violation and subsequent consumer reactions may be very significant (Liu et al.,

2012). A person who has a favorite table at a coffee shop or restaurant, for example, maybe bothered to see another client in their seat.

Similarly, a salesclerk who takes delight in displaying consumers his store's products may be unwittingly claiming territory, repelling customers who are looking for their connection to the offerings or the store. Intangible regions can likewise give rise to infringement beliefs. For example, Twitter user Allegra (Abeza et al., 2017; Lebel & Danylchuk, 2014) claims, "Hey, that Volvo advertisement took my fave music," while others frequently accuse one another of stealing ideas and hashtags. While end-user selection and trustworthiness are widespread in the marketplace, present research gives little insight into its origins, specifically how customers assess if their rights have been violated. These actions play a vital part in consumer welfare since violations not only reflect a perceived threat to yourself or your property but also require evaluation of whether and how to make consumer reactions that are likely to be costly.

In order to clarify the issue, we integrate consumer PI (Osei-Frimpong et al., 2019) and psychological ownership (Dawkins et al., 2017) theories and find support for an account where the user perceives and reacts according to his level of psychological ownership. Second, we give the first proof that consumers see other customers as participating in markings when they show historical psychological ownership conditions. Thirdly, the function of narcissism in modern society is more interesting, although in marketing settings this feature is still unsolved (Leung et al., 2018). We help to do this by demonstrating that narcissistic customers are high (vs low) in their defensive reactions. Finally, we build on the emerging literature on consumer reaction by expanding the investigation from psychological ownership and consumer PI, thus following hypothesis is suggested:

➤ H<sub>3</sub>: Celebrity endorsement has a positive influence on psychological ownership

## 2.4 Luxury Brand Purchase Intention

According to Osei-Frimpong et al. (2019), PI is based on behavioural research. Consumer PI are described as a mix of their interests and desire to purchase a product. PI is an attitude variable that may be used to forecast future contributions to product purchases (Raza & Zaman, 2021b). Because forecasting future customer behavior is a critical issue for organizations, it should be anticipated more precisely (Erkan & Evans, 2018). A consumer's overall opinions regarding a product affect the formulation of their purchasing intentions (Singh & Banerjee, 2019). The better these sentiments, the more likely individuals are to buy (Park et al., 2021). Comparable terms were introduced by (Park et al., 2021; Paul & Bhakar, 2018; Quintal et al., 2016) all centered on the willingness of customers to take a certain product.

"An individual's conscious plan to make attempt to gain a brand" is PI. Although branded ness is a summary assessment of the brand, the desire to purchase is a personal approach to a brand that is intended to purchase a brand (Osei-Frimpong et al., 2019). Incredibly legendary actors, models, sportsmen, and vocalists are all named celebrities. Knowing how celebrities affect customers, corporations increasingly invest in advertising, in order to convince customers (Huang, 2021). Extensive studies in marketing have been performed to explore how celebrity endorsement (CE) influences customer purchase intentions (PI)

(Hedhli et al., 2021). Likewise, numerous authors have investigated a number of related aspects, such as the influence of CE on product recall, the influence of the legitimacy and expertise of the CE, and the influence of celebrity image on brand trust (Srivastava, 2021). In recent years, marketers that wanted to capitalize on the potential to influence the purchasing intent of customers gained greater attention from social networking sites. Electronic word of mouth may be an important component influencing consumer buying purposes on social media platforms (Sharma et al., 2021). Another element to consider in an endorsement situation is the trustworthiness of a social media influencer (Alalwan, 2018).

Based on the reviewed literature the source credibility model and the source attractiveness model are two models used in this CE research. These models imply that customer purchase intent is influenced by attractiveness, trustworthiness, and competence. The perceived attractiveness of influencers has an impact on purchasing intent. Influencer that are physically attracting are also seen as intelligent and are classifiable higher on the other qualities like described in signaling theory (Liao et al., 2020). Despite of its growing size, the literature highlights the utilization of CE considered as a well-known trend around the world (Cuomo et al., 2019). Businesses capitalize massive amounts of cash to hire celebrity endorsers for their ads wanting to generate huge incomes on their speculations (Aw & Labrecque, 2020), also largely echo the fame of CE. Presently, in the United States of America, each one out of five ads employ superstar endorsers. In Europe, the amount is lesser, speaking to 18%. Meanwhile, the superstar culture is progressively unique in Asian society. To be explicit, 49% of every single Japanese business highlight a big-name endorser (Bennett et al., 2021). In addition, superstars show up in half of every Korean business. The befuddle among Western and Asian economies is connected with social dissimilarities (Srivastava, 2021). Asian countries incline toward expressive and symbolic appeals communicated by big-name endorsers whereas Western economies are usually much concerned with product description (Chan & Fan, 2020). Currently, famous people hire not only for regular displaying endeavors of purchaser stock yet likewise for political purposes as argued by Yu and Hu (2020). Furthermore Roy et al., (2021) highlighted that electorates utilize backup ways to accumulate materials about their campaigns. As it seems, electorates use big-name endorsers to increase the trustworthiness of political contenders among the public. In this situation, it is critical for sellers and promoters to understand how CE work and what variables to consider when creating effective celebrity-based marketing campaigns.

However, consumer of luxury is therefore no longer limited to the richest and most renowned people in society, but also involves the majority who make a tremendous profit with a larger consumer focus (Aggarwal & Rishi, 2021). Paradoxically, however, such luxury marks strive to preserve an almost exclusivity throughout growing sales and client base by addressing the people in developing countries such as Pakistan. In the light of all the above discussion the researchers suggest the following hypothesis:

➤ H4: Brand trust meditates the relationship between celebrity endorsement and brand attitude

- ➤ H<sub>5</sub>: Psychological ownership mediates the relationship between celebrity endorsement and brand attitude.
- ▶ **H<sub>6</sub>:** Brand attitude has a positive influence on the luxury brand purchase intentions.

#### 2.5 Signaling Theory

The concept of celebrity endorsement may be explained utilizing signaling theory (Essman et al., 2021). This theory takes into account the effect on specific behavior patterns by individuals in a certain social network. Based on Spence's landmark work (Celani & Singh, 2011) signaling theory serves as the theoretical framework in our article to explain the link between celebrity endorsers and price and quality perceptions. The Signaling theory was first utilized as a job market tool in the economic and managerial sciences (Karasek & Bryant, 2012). However, in the early 1990s, marketing scholars adopted it as a mechanism for investigating a variety of issues, such as whether warranties signaled quality (Chung & Cho, 2017) brands signaled market strategies (Erdem & Swait, 2001), and advertising repetition signaled quality (Barone et al., 2005). Many of these works focused on the essential components of signaling theory – signal, signaler, receiver, and feedback – as well as the mechanism by which it may or should be applied. Celani and Singh (2011) define signals as "variable cues, characteristics, and/or acts that transfer information in symmetry from a signaler to a receiver." Signalers are critical components of the signaling process (here the celebrities). These signalers, or celebrities, are seen as insiders who have knowledge about the quality of a product or service that receivers find useful (Tian et al., 2021).

On the other hand, receivers who do not have the knowledge that signalers (celebrities) do would benefit directly from the information received in these signals (Ahlers et al., 2015). In this field, research views customers as receivers, in particular in the business environment, to profit from judgments and decisions based on the data derived from the signals (Connelly et al., 2011). Customers, for example, as receivers, utilize an information source's attractiveness, competence, and trustworthiness as signals when making purchasing decisions (Jensen et al., 2020). In reality, a source's attractiveness, knowledge, and trustworthiness are common indications used to judge an endorser's credibility (Munnukka et al., 2016). Recording to past research (Ahlers et al., 2015) they substantially linked the credibility and competence of a source to the capacity of the source to affect the behavioral trends of customers. In other words, the signaler is seen in the eyes of customers as trustworthy.

Based on an extensive examination of prominent literature, the conceptual model has been graphically presented as Figure 1.

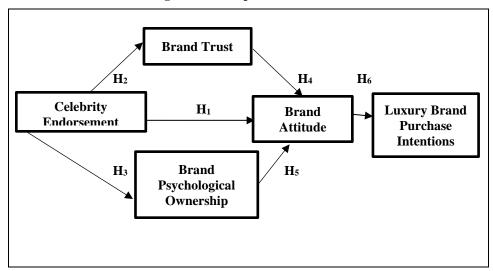


Figure 1: Conceptual Framework

# 3. Research Methodology

#### 3.1 Sampling and Procedure

To fulfill our study aims, we used a quantitative survey design using a structured questionnaire, this technique was used to collect quantifiable and objective data from respondents (Raza et al., 2018) who had watched advertisements from multinational companies (MNC) utilizing celebrity endorsement. We have surveyed university students (both undergraduates and postgraduates) because most students know renowned trends so that they may give an honest evaluation of CE. (Malodia et al., 2017). Using a stratified random sampling method (Osei-Frimpong et al., 2019). Three private universities in Punjab, Pakistan, were approached for 300 responses. Due to time and economic constraints in conducting a large-scale survey, the researchers selected a population from three private universities with a similar number of students and a similar diversification. The participants were given a brief explanation of the study and asked to complete a survey. An example of a student sample may be deemed unsuitable since it does not accurately represent the overall population. Students, on the other hand, are appropriate for the present investigation since the probability is greater for students at private universities their financial ability to buy expensive items (Na'amneh, 2021; Rehman, 2021) so they buy brands of luxury actively. Furthermore, students represent a homogeneous sample to effectively validate the Signaling theory (Rauschendorfer et al., 2021). Students are readily influenced by how they look and socialize with peers. The spread of media and technology exposed youngsters to prominent celebrities and commercial trends in many luxury goods, which have made them a possible forthcoming market for these LB companies. Students are interested in LB since they know regarding brand loyalty and long-term product acceptance of such businesses (Cheah et al., 2020).

Respondents who had not seen or followed advertisements from MNCs in Pakistan utilizing CE were excluded from the research according to the questionnaires' inclusive

and exclusive criteria. Respondents identified their favorite luxury apparel brand at the beginning of the questionnaire, which had to be recalled while answering questions regarding the brand. This guaranteed variety within the brands and contributed to preventing skewed answers with one brand. The information was gathered with the paper-based survey approach. There were around 400 surveys and 315 questionnaires returned at an 83 percent response rate. I chose 300 instances for data analysis after the removal of the irrelevant replies. 46.4% of the whole sample is female and 53.6% male, 96.6% of the sample is between the ages of 19 and 27 years.

The research instrument was pre-tested before the main study 40 people from the target demographic (Alsmadi, 2006). The pilot research used the same sampling techniques and questionnaire administration as the main study. A preliminary examination of the pretest revealed that all scales met the internal consistency recording Cronbach alpha > 0.7 with correlation significance at the level of 0.05, indicating the scales' robustness (Hair, Hult, Ringle, & Sarstedt, 2016). Scale items with a corrected item-total correlation of more than 0.3 were kept in the final version of the questionnaire (Raza & Zaman, 2021a).

#### 3.2 Measures

The scale items used to measure the different components in scale ranging from 1 (strongly disagree) to 5 (strongly agree). Following the Figure 1 were taken from the literature. The original meaning of these approved scales was not changed, although they were somewhat adjusted with caution. Unless otherwise stated, all measures were measured on a five-point Likert signaling theory, CE was regarded as a higher-order construct that was assessed using the following constructs: "attractiveness, trustworthiness, and familiarity" (Spry et al., 2011). Purchase intention having three items was also measured on a five-point Likert scale. (Salisbury, Pearson, Pearson, & Miller, 2001). Moreover, Ernst and Rogers, (2009) scale comprising three items was utilized to measure attitude in this paper. With this, Brand Trust was also measured on five-point Likert scale and it comprises only three items (Delgado-Ballester et al., 2003). Lastly, Psychological Ownership utilized the instruments given by Avey, Wernsing, and Palanski (2012).

#### 4. Results

#### 4.1 Descriptive Analysis

The study initially conducted a descriptive analysis that revealed that all variables, BAT, BT, CE, BPO and LBPI were significantly correlated with each other (see Table 1).

**Table 1: Correlations among Latent Constructs** 

	Mean	BAT	BT	CE	BPO	LBPI
Brand Attitude	4.04	1				
Brand Trust	3.62	0.447	1			
Celebrity Endorsement	4.13	0.332	0.373	1		
Brand Psychological Ownership	3.70	0.296	0.280	0.503	1	
Luxury Brand Purchase Intentions	3.91	0.145	0.220	0.326	0.242	1

### 4.2 PLS-SEM: Reliability and Validity

Smart PLS 3.0 was used to evaluate the model using a partial least squares structural equation modeling technique based on components (PLS-SEM). Previous research shows that, as compared to covariance-based SEM, PLS-SEM performs better in exploratory investigations with lower sample size and numerous mediators (Hair et al., 2019). PLS-SEM (partial least squares structural equation modeling) is an analytical approach for identifying or constructing predictive models. It outperforms the typical linear structural connection model for causal model analysis between latent variables, which is ideal for exploratory research (Sarstedt et al., 2020). The PLS-SEM is more suited for small sample analysis than covariance-based structural equation modeling (CB-SEM), which is assessed using a covariance matrix (Dash & Paul, 2021). Additionally, Rodríguez et al. (2020) proposed that the sample size requirement of PLS be gathered at ten times the dimension of the majority of question items. PLS-SEM is primarily intended to determine whether or not the causal link has a statistically significant mutual linear relationship. It is more suited for the development of theoretical models. PLS-SEM is used in this study to investigate the association between the research variables. It mainly employs the PLS Algorithm and Bootstrapping to perform the repetitive sampling 5000 times in order to estimate pathway coefficients and significance (Sarstedt, Ringle, et al., 2020) It can easily discuss the relationship and effect of the dimensions.

The dependability of the multi-item scale was determined by calculating the coefficient alpha (Cronbach, 1951). In every case, Cronbach's alpha coefficient was greater than .90, considerably over the required level .70 (Henseler, Ringle, & Sinkovics, 2009), indicating excellent internal consistency. Convergent and discriminant validity were also evaluated in accordance with Churchill's (1979) recommendation. Convergent validity was demonstrated in all cases, since all AVE values exceeded .50. The discriminant validity is used to assess the relationship between items with various aspects by utilizing the square root value of AVE. It indicates discriminative validity if the square root value of the diagonal AVE is larger than the correlation coefficient value of the horizontal or vertical column.

**Table 2: Construct Reliability and Validity** 

	Cronbach's Alpha	rho_A	Composite Reliability (CR)	Average Variance Extracted (AVE)
Brand Attitude	0.785	0.785	0.874	0.699
Brand Psychological Ownership	0.891	0.892	0.920	0.697
Brand Trust	0.784	0.800	0.857	0.601
Celebrity Endorsement	0.794	0.804	0.866	0.617
Luxury Brand Purchase Intentions	0.832	0.877	0.897	0.744

The structural equation model (PLS-SEM) is used to analyze complicated relationships between observable and latent variables (Hair et al., 2019). Because of its most complete capacity to evaluate the link between constructs with multiple measurement elements, smart PLS is used to handle data testing findings (Ho, 2006; Russell et al., 1998). As seen in Table 2, all constructs have a good value which has an average variance extracted (AVE) higher than 0.50 and composite reliability (CR) > 0.70. Cronbach's alpha values range from 0.784 indicates that all constructs have good results because they are greater than the recommended minimum Cronbach's Alpha value of 0.7 (Hair et al., 2016). After measuring the model according to the criteria, the researchers then tested the coefficient of the model. Figure 1 describes the results of data of relationships between constructs that show significance value.

Dillon-Goldstein's rho is another approach for determining the dependability of structural equational modeling. In structural equational modeling, Caraka et al., (2021) recommend Dillon-Goldstein's rho as even better reliability metric than Cronbach's Alpha. This is due to the fact that Dillon-Goldstein's rho is computed based on loadings rather than correlations between variables to be investigated (Maletič et al., 2021) recommends 0.7 for Dillon Goldstein's rho, which is comparable to other indices used for this purpose. The testing results reveal that the rho A values for the latent variables used for structural equational modeling in this study ranged from 0.785 to 0.877. The above table contains more information.

Table 3: Item Loadings and VIF

	BAT	BT	CE	BPO	LBPI	VIF
BAT1	0.834					1.638
BAT2	0.853					1.735
BAT3	0.821					1.566
BPO1		0.810				1.418
BPO2		0.837				1.906
BPO3		0.896				1.674
BPO4		0.825				1.690
BPO5		0.802				1.570
BT1			0.768			1.942
BT2			0.842			1.838
BT3			0.716			1.418
BT4			0.771			1.947
CE1				0.742		2.057
CE2				0.805		1.804
CE3				0.842		2.164
CE4				0.750		2.343
LBPI1					0.897	3.246
LBPI2					0.886	2.299
LBPI3					0.802	1.927

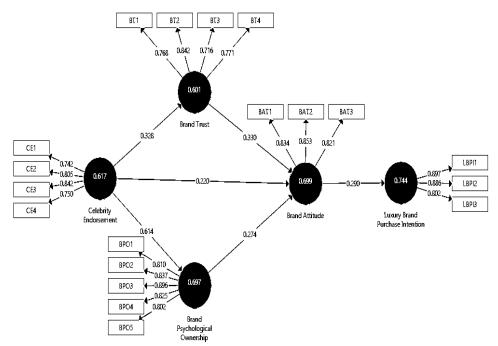


Figure 2: Measurement Model

Table 4: Discriminant Validity (Fornell-Larcker Criterion)

	BAT	BT	CE	BPO	LBPI
Brand Attitude	0.836				
Brand Psychological Ownership	0.538	0.835			
Brand Trust	0.509	0.393	0.776		
Celebrity Endorsement	0.496	0.614	0.328	0.786	
Luxury Brand Purchase Intention	0.290	0.331	0.267	0.333	0.863

Table 5: Discriminant Validity (Heterotrait-Monotrait Ratio-HTMT)

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	BAT	BT	CE	BPO	LBPI
Brand Attitude	1				
Brand Psychological Ownership	0.645	1			
Brand Trust	0.621	0.455	1		
Celebrity Endorsement	0.623	0.724	0.382	1	
Luxury Brand Purchase Intention	0.344	0.386	0.337	0.401	1

## 4.4 Hypotheses Testing

The researchers performed a bootstrap analysis with a significance level of 95% to get a standard value and the p-value <0.05 (Hair et al., 2016). The output of hypothesis testing is presented in Table 6. All hypotheses (therefore  $H_1\text{--}H_6$ ) have been supported from Table 6. The results show the positive consequences of CE on attitude thus endorsing hypothesis  $H_1$  ( $\beta=0.220,\,p<0.001$ ). These results support previous research which states that there is a significant effect of CE on attitude due to several reasons such as the ability of celebrities who are able to communicate the value of the product to the customers because they feel that the celebrity are an expert in the product being delivered (Santos et al., 2019). Marketers who use celebrities need to consider content that is following product characteristics so that it can be effective in influencing customer PI. The second hypothesis states that CE has a significant effect on brand trust. The results show value ( $\beta=0.328,\,p=<0.001$ ). Thus, the second hypothesis is supported and is in line with the previous studies that have significant results (Osei-Frimpong et al., 2019). CE can create a positive brand trust so that customers will provide feedback to the brand with the trust that can benefit marketers (Takaya, 2019).

The third hypothesis states that psychological ownership mediating the relationship between CE and attitude. The results show the value ( $\beta = 0.614$ , p = < 0.001). It can be interpreted that the higher the value of psychological ownership, the higher the relationship between CE and attitude. Thus, the third hypothesis is supported. The findings of this study are consistent with prior research, which indicates that the more strong brand's personality is connected to customers' brains as a consequence of CE, the more people want to purchase (Pradhan, Duraipandian, & Sethi, 2016). These results supported the prior research supporting the underlying role of the CE mechanism which influences PI (Cheah et al., 2019; Paul & Bhakar, 2018; Rogers, 2020).

**Table 6: Hypotheses Testing** 

Paths	β	T-Values	P-Values	Hypotheses testing
CE -> Brand Attitude	0.220	3.342	0.001	H <sub>1</sub> Supported
CE -> Brand Trust	0.328	4.378	0.000	H <sub>2</sub> Supported
CE -> Brand Psychological Ownership	0.614	11.468	0.000	H <sub>3</sub> Supported
Brand Trust -> Brand Attitude	0.330	6.234	0.000	
Brand Psychological Ownership -> Attitude	0.274	4.210	0.000	
Brand Attitude -> Luxury Brand Purchase Intention	0.290	4.739	0.000	H <sub>6</sub> Supported

The strong personality of the brand leads to higher consumer trust in the brand. The fourth hypothesis states that the brand trust has significant effect on attitude. The results show the value ( $\beta=0.330$ , p=<0.001). Finally hypothesis H<sub>5</sub> ( $\beta=0.274$ , p=<0.001) and hypothesis H<sub>6</sub>( $\beta=0.290$ , p=<0.001) were also supported and in line with previous research which states that psychological ownership and attitude are identified as an important construction affecting purchase intention that begins because of the stimulus

provided by CE (Malodia et al., 2017; Paul & Bhakar, 2018). Table 7 measurements show mediation effects that contribute to the model's robustness.

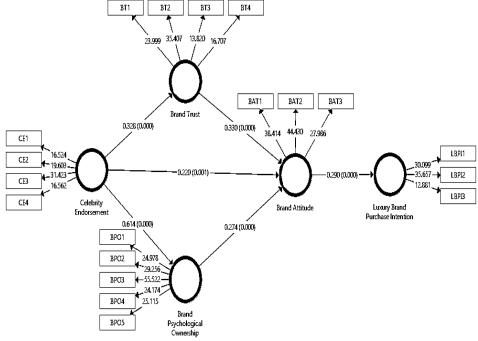


Figure 3: Structural Model

**Table 7: Mediating (Indirect) Effects** 

Mediation Effect	β	P	Hypotheses Testing
CE -> Brand Trust -> Brand Attitude	0.118	0.000	H <sub>4</sub> Supported
CE -> Brand Psychological Ownership -> Brand Attitude	0.245	0.000	H <sub>5</sub> Supported

#### 5. Discussion and Research Implications

It is critical to have complete knowledge of the drivers of consumer attitude toward LB consumption in order to comprehend how customers' fundamental reasons for attitude for buying of high-end items varies by culture and what influences those variations (Osei-Frimpong et al., 2019). One explanation for celebrities' widespread use is their ability to improve customers' perceptions of a product (Foroudi et al., 2018; Ozdemir et al., 2020) which in turn boosts consumers' willingness to purchase (Gupta & Ramachandran, 2021). Furthermore, high costs, which also indicate product quality (Liu et al., 2020), frequently accompany CE since customers expect higher prices for recommended items (Carlson et al., 2020). Extant literature suggests that the prominence and bright picture depicted by the endorsers will be pondered and connected with the items or brand being promoted

(Herjanto et al., 2020), hence increasing deals or upgrading a brand's image to a more extensive marketplace (Santos et al., 2019). Generally, the idea of celebrity can be comprehended as a notable individual perceived by people in general and considered a good example for society (Guo & Ren, 2020; Sharma et al., 2021) due to their well-established expert skills or persuasive appeals (Carlson et al., 2020). Famous entertainers, models, competitors, and vocalists are totally viewed as big names (Bennett et al., 2021). Knowing the effect that celebrated individuals apply over purchasers, organizations are dynamically placing assets into their practice in advancing product branding and persuading customers (Herjanto et al., 2020).

Based on the signaling theory (Song & Kim, 2021), the article notes that CE plays a vital role in delivering extremely powerful messages to communicate both good value for money and quality statements to the young audience. According to previous studies, the influence of high pricing and CE on customer perceptions of quality is well documented (Adam & Hussain, 2017; Chung & Cho, 2017; Pradhan et al., 2016). This study focuses on the underlying motives of Pakistani customers by connecting psychological characteristics to their purchase of luxury products.

This study presents empirical information to help understand the impact of CE on customer perception and purchasing behavior in an emerging economy (Cuomo et al., 2019). The study indicates that CE has a substantial impact on customer purchasing patterns. While most CE research have been conducted in the United States and Europe, the Asian environment, the Pakistani market in particular has been ignored (Chung & Cho, 2017). This growing market (the Pakistani setting) offers customers collectivist social norms, with the majority belonging to the middle socioeconomic class. As a result, this developing industry differs from a large mass market of subsistence consumers. This research paper instituted the influence of CE on shopper assessments and purchasing interests in a specific emerging market, and it claims that favorable publicity of CE considerably alters the customers' PI. The results show that the CE-relevant qualities, such as familiarity, attractiveness, and trustworthiness (Tzoumaka et al., 2016), impact consumers' perceptions of the brand's quality, improve brand loyalty, and, most significantly, influence their PI. As a consequence, the findings confirm earlier research (Adam & Hussain, 2017) indicating that the source model is essential in the firm's CE promoting operations.

Our conceptualization also indicates that the beauty, familiarity, and confidence of customers make it easier to remember an advertisement made by renowned persons, which improves their PI. Research by Carlson et al., (2020) has revealed in a similar study that CE has a huge impact on the efficacy of advertising, brand attitude, brand trust, and even customer buying behavior. They claim that consumer's link readily with product publicities with celebrities and therefore assist them to recall the transmitted message, which may have a short-or long-term impact on their PI. Their study, however, provided a theoretical framework focusing on equity for the endorsed sponsor. This study concentrates on the efficiency of this company equity to drive the buyer to buy these products.

Therefore, this study shows that a CE who is viewed as familiar, appealing, and trustworthy by consumers is beneficial in driving PI from customers in this growing industry. Similarly, our study expands the conception of the Source model by Karjaluoto, Munnukka, and

Kiuru, (2016). With a more comprehensive view on customer behavior towards the brand. For example, what brand attitude indicates or signifies is not apparent; nonetheless, our conceptualization has certain consequences (PI) of CE, considering the credibility of the original model. The data also indicate that CE affects the consumer's understanding of the brand attitude and promotes brand trust.

Our article addresses how consumers see celebrities as powerful influencers who enable firms to develop themselves if they support them in emerging regions (Osei-Frimpong et al., 2019). Indeed, the information provided by a famous supporter is increasingly reliable and relevant and leads to a greater quality impression of the marketed product and, hence endorsing it is deemed as identifiers of quality. This impression leads to the idea that items are differentiated by quality and will dominate other products. Moreover, CE's immediate and unforeseen effects of PI (mediating through brand trust and psychological ownership) indicate that consumer brand recognition is essential to influencing brand attitudes. The study supports Hussain et al. (2020) claim the highly recognized brands can spread a positive image which can certainly encourage brand trust, and that more brand recognition and trust, resulting in better consumers' PI. We have shown additionally favorable and important impacts of "psychological ownership" and "brand trust" on the PI of consumers.

Likewise, Singh and Banerjee, (2019) suggest that the brand trust of customers always value the brand, and acquire it confidently based on their experience. This is seen in our findings that brand trust is a positive and important link to PI. The results also encourage the efforts of (Hussain et al., 2020) to develop a favorable brand perception by establishing that successful CE which results in improved PI and brand trust. The results indicate, consequently, that CE also boosts knowledge about the product in developing economies, improves customer awareness of quality, and leads to higher consumer PI confidence in new regions. We looked at the mediating effect of psychological ownership on consumer purchasing behaviors, with the awareness of CE literature. Therefore, we argued in addition to the existing research that the good exposure of celebrities could have never detrimental or substantial consequences on brand performance in respect to consumer PI, from the emerging market viewpoint.

## 5.1 Theoretical Implications

The findings of this study show that young adults regard luxury goods as valued items gained to achieve social goals among significant individuals. Prior research in the area of CE has focused on congruence among the endorser and product category (Lee & Thorson, 2008) the source characteristics of endorsers (Sharma et al., 2021; Tzoumaka et al., 2016) the meaning endorsers add to products (Gupta & Ramachandran, 2021; Lee & Thorson, 2008; McCormick, 2016; Rokonuzzaman et al., 2020) and the relationships consumers hold with endorsers (Endrikat, De Villiers, Guenther, & Guenther, 2020). These customers usually attempt to conform to social norms and acquire items that are socially acceptable (Chanda & Moharir, 2020; Sharma et al., 2021). They may buy a Gucci wallet not for its practical worth, but for its experimental value in allowing its owners to blend in with their social circles and earn attractive social incentives. Conformity is shown to be quite important, which might can be ascribed to the fact that the sample is small comes from a

collectivistic society. In contrast to the individualistic societies' counterparts, who depend more on objective information and own decisions, these consumers accept the word and opinions of their peers and reference groups as sources of knowledge. The external environment must endorse an individual's projected image (Sharma et al., 2021). It is thus expected that if the environment promotes such behavior, consumption of luxury items would grow.

In contrast to their counterparts in individualistic societies, who depend more on goal-directed behavior evidence and their judgments, As part of information, such consumers absorb their peers' words and opinions and reference groups. An individual's projected image must be reinforced by his or her external surroundings (Rokonuzzaman et al., 2020), therefore it is expected that purchase of luxury items would grow if the environment promoted such behavior. According to the findings, Pakistani customers view luxury products as highly significant assets that enable them to comply with the norms of their social group; as a result, luxury brand managers should develop unique tactics for consumers from different cultures. Unlike their counterparts in individualistic societies, who rely more on aim information and their judgments, these consumers take the word and opinion of their peers and reference groups as information. An individual's projected image must be supported by his or her external surroundings (Ateke, Onwujiariri, & Nnennanya, 2015).

According to the findings, luxury items are highly significant assets for Pakistani customers since they allow them to comply with the standards of their social group (Raza & Zaman, 2021) pointed to the scarcity of brands as an essential component for the sustainability of a premium brand as exclusivity is an important attribute of luxury brand ownership. However, Bai, McColl, and Moore (2021) discovered that when a luxury brand gets popular, customers in Hong Kong choose it. This shows Asian consumers' proclivity to submit to societal pressure. In the context of this study, because only a subset of society can buy luxury products (e.g., per capita income in 2019 was USD 4,801 according to the World Bank), consumer understanding of what influences brand adoption in groups may change depending on the social norm's peculiar to this market. In a collectivist culture, luxury brand consumption stems largely from an interdependent orientation and is bolstered by a consumer's natural desire to comply as well as the demand for status. For increased sales revenues in such regions, luxury brand managers should work on establishing connotations of prestige and appeal.

The current study gives data to support the notion that Pakistani consumers see luxury products as highly significant assets that enable them to comply with their social group's expectations. In a developing nation like Pakistan, the number of consumers who can afford LB is small in contrast to the overall population. Here, the brand serves not only as a status symbol and a source of conformity with the affluent and privileged but also as a method of expressing originality, which is supported by literature (Goldstein & Carpenter, 2021).

## 5.2 Implications for Practitioners

According to the study's findings, the CE - brand trust and psychological ownership congruence had a substantial effect on consumers' attitudes about the PI. This has evident effects on competitive strategy for managers. Managers must ensure that brands are positioned to communicate a mindset that is equivalent to the qualities of their intended audience. This will help the segment of the population targeting to better connect to or

engage with the brand, which will result in a favorable approach to the brand and the connected PI. The outcomes of the study also show that the CE has a significant influence on PI. As the marketers choose a celebrity, they have to ensure that the personality of the celebrity is consistent with the personality of the brand. If the celebrity fits better, the communication would be more trustworthy and therefore better it will increase brand trust and sales volume (Nelson & Deborah, 2017). As a consequence, the attitudes of customers towards the brand trust will improve PI. It is important at the same time that the personality of the celebrity for the target group of customers is linked to the ambition of the personality so that people may use the brand for their expected personality.

#### 5.3 Limitations and Future Research

Although the study currently contains several limitations and opens up opportunities that need to be further explored to understand fully the impact of the congruence between the user, brand and celebrities on attitude toward brand trust and subsequent development of brands. One of the research's shortcomings was the computation of the congruity score using the squared distance model. The other, more predictive calculating techniques may be utilized to determine the consistency of the results in future investigations. The use of a less item scale for capturing the consumer PI might be another limitation of the research.

However, consumer PI may be analyzed in a better manner by using alternative methods, such as a multi-item. In terms of future research in the marketing field, it is critical to recognize the effect that specific mediating factors have on the paradigm evaluated in this research. Initially, the future study may determine if the congruence effects mentioned above change for masculine and feminine respondents, and what, the difference in impact exists between these two groups. This would aid in determining whether gender-specific messaging is required for customers. Because the current study carried out with a skewed respondent base was included with a greater number of men, it was challenging to produce a generalizable finding addressing such gender-based disparities.

We should put another aspect into consideration, some of the often-examined characteristics in CE research, like communication or source credibility, that would affect a study model involvement or motive in the buying, brand familiarity and attitude toward the endorser may be incorporated into the model as mediating factors, and their impact investigated in the future study. It might also be worthy of mention to examine how the current model's results vary over time, particularly for celebs who previously had good and subsequently image/likability issues (for instance, Oscar Pistorius), using a longitudinal design. Lastly, the current model may be enhanced to include brand loyalty (Rokonuzzaman et al., 2020). It is critical for practitioners and academics to grasp how congruence may contribute to the establishment of brand trust and confidence among the personality structures and psychological ownership, and how they fit into the model in terms of their numerous places along the chain from concordance to positive attitude development to a good outcome PI. Finally, forthcoming research may seek to generalize the model described in this work and its consequences across other cultures to strengthen and confirm its predictive capacity. Furthermore, such study may seek to comprehend how, if necessary, managers may modify the model to integrate customer trends.

This study has made numerous important contributions to marketing and consumer behavior, but it also has significant drawbacks. To get fresh insights, the sample design might be altered. This study's target demographic consisted primarily of young people. Other segment would offer interesting insights. Further research might look into additional food product categories that have not previously been addressed in terms of PI and purchasing behavior. This research was carried out in Pakistan. Future study can be conducted in different situations to provide more generalizable findings.

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