

**IMPACT OF ADVERTISEMENT ON CONSUMERS' BUYING BEHAVIOR  
THROUGH PERSUASIVENESS, BRAND IMAGE, AND CELEBRITY  
ENDORSEMENT IN NEPAL**

By

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# **RECOMMENDATION**

# **CERTIFICATION**

## **DECLARATION OF AUTHENTICITY**

I, Pooja Dhama, declare that this GRP is my original work and that any adaptations from other sources have been completely acknowledged. I further acknowledge that if it is ever demonstrated that I materially misread the material submitted to SOMTU, any credits granted to me based on such material may be canceled.

Signature .....

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# TABLE OF CONTENT

Recommendation .....	ii
Certification .....	iii
Declaration of authenticity.....	iv
Acknowledgement .....	v
Table of content .....	vi
List of tables.....	viii
List of figures.....	ix
Abbreviations .....	x
Executive summary.....	xi
CHAPTER I.....	1
INTRODUCTION.....	1
1.1 Background of the Study .....	1
1.2 Statement of the Problem .....	4
1.3 Objectives .....	5
1.4 Research Hypothesis.....	6
1.5 Scope and Relevance .....	9
1.6 Limitations.....	10
1.7 Organization of Report .....	11
Chapter II .....	12
RELATED LITERATURE AND THEORETICAL FRAMEWORK.....	12
2.1 Theoretical Review .....	12
2.2 Conceptual Review .....	16
2.3 Emperical literatures.....	20
2.4 Research Gap.....	25
2.5 Conceptual Framework.....	26
2.6 Operational Definition of variables .....	27
Chapter III.....	31
RESEARCH METHODS.....	31
3.1 Research Design .....	31

3.2 Population and Sample .....	32
3.3 Sources of data.....	33
3.4 Instrumentation .....	33
3.5 Construct Reliability and validity.....	33
3.6 Data Analysis.....	35
3.7 Ethical Consideration .....	35
Chapter IV.....	37
ANALYSIS AND RESULTS .....	37
4.1 Demographic Profile of Respondents.....	37
4.2 Descriptive statistics .....	39
4.3 Normality Test.....	44
4.4 KMO'S and Bartlett test .....	47
4.5 Relationship between Advertisement and Consumer Buying Behavior .....	48
4.6 Regression analysis.....	49
4.7 Skewness and Kurtosis .....	52
4.8 Analysis of moderating effect of Gender .....	52
4.9 Analysis of moderating effect of Income .....	55
4.10 Hypothesis Testing Results .....	58
4.11 Major Findings .....	59
CHAPTER V .....	62
DISCUSSION, CONCLUSIONS AND IMPLICATIONS.....	62
5.1 Discussion.....	62
5.2 Conclusion.....	64
5.3 Implications .....	64
References.....	67
Appendix.....	75

## LIST OF TABLES

Table 1 Review of Recent Literature.....	24
Table 2 Coefficient of Cronbach’s Alpha.....	34
Table 3 Respondent Demographics Traits.....	38
Table 4 Descriptive Statistic of Consumer Buying Behavior.....	40
Table 5 Descriptive Statistic of Price Fairness.....	40
Table 6 Descriptive Statistic of Persuasiveness .....	41
Table 7 Descriptive Statistic of Brand Image .....	42
Table 8 Descriptive Statistic of Credibility.....	42
Table 9 Descriptive Statistic of Attractiveness .....	43
Table 10 Shapiro-Wilk Test.....	44
Table 11 KMO & Bartlett’s Test.....	47
Table 12 VIF.....	48
Table 13 Correlation Analysis .....	49
Table 14 Model Summary of Regression Analysis.....	50
Table 15 One-Way Anova.....	50
Table 16 Coefficient table of Dependent and Independent Variable.....	51
Table 17 Skewness and Kurtosis .....	52
Table 18 Coefficient Table with Moderating Effect.....	52
Table 19 Coefficient Table with Moderating Effect.....	53
Table 20 Coefficient Table with Moderating Effect.....	53
Table 21 Coefficient Table with Moderating Effect.....	54
Table 22 Coefficient Table with Moderating Effect.....	54
Table 23 Coefficient Table with Moderating Effect.....	55
Table 24 Coefficient Table with Moderating Effect.....	55
Table 25 Coefficient Table with Moderating Effect.....	56
Table 26 Coefficient Table with Moderating Effect.....	56
Table 27 Coefficient Table with Moderating Effect.....	57
Table 28 Hypothesis Testing.....	58



## LIST OF FIGURES

Figure 1 Conceptual Framework.....	27
Figure 2 Consumer Buying Behavior.....	44
Figure 3 Price Fairness.....	45
Figure 4 Persuasive Advertisement.....	45
Figure 5 Brand Image .....	46
Figure 6 Credibility .....	46
Figure 7 Attractiveness .....	47

## **ABBREVIATIONS**

A	Attractiveness
Ad	Advertisement
ANOVA	Analysis of Variance
BI	Brand Image
C	Credibility
CB	Consumers' Buying Behavior
CEA	Celebrity-Endorsed Advertising
EFA	Exploratory Factor Analysis
MBA	Masters of Business Administration
PA	Persuasive Advertisement
PCA	Principal Component Analysis
PER	Persuasiveness
PF	Price Fairness
SE	Search Engine Marketing
SMM	Social Media Marketing
SPSS	Statistical Package for the Social Science
TPP	Third-Person Perception
TVC	Television Commercial

## **EXECUTIVE SUMMARY**

The primary aim of the research is to investigate how advertising affects consumers' purchasing behavior in Nepal by examining persuasiveness, brand image, and celebrity endorsements. The study also has specific goals, including analyzing the impact of various factors, such as price fairness, persuasiveness, brand image, credibility, and attractiveness, on consumers' buying behavior. Additionally, the research seeks to identify the most influential factors of advertising on consumers' buying behavior, determine the correlation between price fairness, persuasiveness, brand image, credibility, and attractiveness, and consumers' buying behavior, and assess respondents' perceptions regarding price fairness, persuasiveness, brand image, credibility, and attractiveness of advertising in Nepal.

Advertising plays a crucial role in the development, creation, and maintenance of brands. By persuading, informing, and reminding both potential and existing customers, advertisements are instrumental in influencing purchase decisions. They help shape dreams and aspirations and aid customers in making informed choices about products and brands. Advertisements are a form of communication that is specifically targeted at a particular group of people, to encourage them to take action. They are a vital component of the marketer's toolkit and are essential for the economic growth of companies in a competitive marketplace (Ryans, 1996).

The rapid advancement of technology and the availability of powerful devices, as well as mass production, have significantly transformed the advertising industry, creating new media and communication channels. Advertisements play a significant role in informing the target market about products and services and are designed to influence consumer behavior. As trends continue to evolve, many parts of the world now have access to dozens of broadcast and cable channels, with hundreds more expected to emerge in the future.

To attain the set objectives, the researchers collected primary data from 384 participants across Nepal through a questionnaire. The questionnaire was designed using a Likert scale to measure various variables related to advertising and consumers' buying behavior. Additionally, demographic information was also collected as part of the primary data. The Likert scale used a 5-point measurement for the different variables, and the weighted mean value was used to

analyze the relationship between the dependent and independent variables, as per the study's objectives.

Price fairness, persuasiveness, brand image, credibility, and attractiveness of celebrity endorsement all have positive correlations with consumers' buying behavior. This means that higher levels of these factors lead to an increased impact of advertisements on consumers' purchasing intentions. The study found that Persuasive advertisement along with Price Fairness and Brand Image are the most influential factors determining consumers' buying behavior in Nepal.

# CHAPTER I

## INTRODUCTION

### 1.1 Background of the Study

Advertising has long been regarded as a popular management strategy for coping with today's incredibly quick technology and marketing advancements. Advertisement is crucial in encouraging people to buy items and services (Zyman & Brott, 2002). Advertisement is essential in today's competitive market and is the essence of any product or brand. The advertisement may lead to the pinnacle of achievement or the end of its life. Advertisement is regarded as the most important aspect of the success of any business (Fletcher, 2010). It includes anything from basic word of mouth to full-fledged marketing initiatives. Massive amounts of time and money are spent on creating a persuasive and attractive commercial.

Advertising is essential for developing, maintaining, and sustaining companies. Advertisements serve an important role in convincing, educating, and reminding new and existing consumers to purchase. It is crucial in forming visions and goals and assisting customers in making informed product and brand selections. Customers identify the brand with the celebrity and may readily register the brand when they see advertisements with endorsements. The objective of advertisements should not be to challenge or annoy clients into purchasing a product (Ahmed & Ashfaq, 2013).

Advertisement is a type of communication that is used to convince a certain set of individuals to adopt a new action. Advertisement is seen as a critical component of the marketer's and competing firms' economic success (Ryans, 1996). Egyptians were the first to employ advertising, using Papyrus and wall inscriptions for commerce. Posters, banners, signboards, and outdoor advertising were among the oldest kinds of advertising. Advertising is critical in introducing a new product, assisting in the acquisition of a new product, and providing additional support in better purchasing possibilities. The majority of TV ad viewers think that advertising has always forced them to buy the exact product shown in the commercial. Every advertising strategy has two main components: targeting and the information content of the

campaign. The company's advertising mediums are used to distribute the information to the intended audience (Anand & Shachar, 2009).

A firm cannot achieve its goals unless it invests in promotional efforts, especially in today's world where customers have so many alternatives to choose from. Consumers are linked with brand advertisements that have emotional value. As a result, advertisers always strive to produce advertisements that strike an emotional chord with the customer. Successful advertising always stimulates the customers' brain processes by supplying mental cues that not only restrict the memory but also transfer to the objects themselves. The technique is linked not just to the consumer's familiarity and knowledge, but also to the consumer's loyalty to and affinity for the brand (Kumar & Raju, 2013).

Consumer brand awareness entails brand awareness as well as brand information or image in customers' minds. Brand awareness allows people to recall brands more readily and generates a good image of the brand in their minds. Brand awareness results in the formation of a brand image in the mind of the consumer, which aids in future purchases of the same product. Brand image is the consumer's affiliation and attachment to a brand. However, in certain cases, the elite female uses their brand to display their riches and social standing (Howard & Sheth, 1971). Because consumers all around the world like to utilize branded items, brands have become a status symbol. And marketers are leveraging this brand strength to get a competitive advantage over other prospective competitors in the consumer's mind. As certain brands are sold at a high price and others are offered at a low price with the same quality qualities, this illustrates the strength of the brand. In comparison to other products, customers trust the brand the same way they trust their family and friends (Ahuja, 2015).

Akram et al.(2017) concluded after evaluating the main criteria, it was determined that celebrity endorsement is a successful strategy for advertising. Trustworthiness, credibility, attractiveness, expertise and talents, popularity, worldwide appeal, cultural belonging, excellent brand-celebrity fit, and no controversy or contentious background are all elements to consider when considering celebrity endorsement. The number of celebrities marketing products has substantially expanded in recent years. Marketers acknowledge celebrities' capacity to influence client purchasing decisions. Advertising is an integral part of society and economic systems for both consumers and companies. It facilitates the delivery of well-crafted

messages to target audiences, hence facilitating the company's marketing efforts for most businesses' products and services. Today, celebrity endorsement is one of the most common methods of advertising (Choi & Rifon, 2012). When there is congruence between celebrity-consumer and celebrity-product consumers, they will build a good attitude toward advertisement, increasing their propensity to acquire the product.

Patra and Datta (2012) defined a celebrity as someone well-known in society has a significant fan following, and receives media coverage. A celebrity can be a Brand Ambassador. An ambassador is a brand spokesperson. It is impossible to sell a product in today's market without the assistance of brand ambassadors. Furthermore, buyers believe the brand is of extremely high quality merely because it has been recommended by their favorite celebrity, and they perceive that endorsement as a sign of greater quality than any other brand. With the assistance of both brand ambassadors and the company's reputation, customers' attitudes about advertisements and brand memory are greatly influenced (Goutam, 2013). Since celebrity interest has grown in recent years, its benefits of it have been recognized by businesses. Even though celebrities cost companies a lot of money, a scholarly study has focused on how celebrity endorsement influences success indicators including publicity, brand memory, and purchase intent. However, celebrity endorsements are not the only form of advertising used by celebrities; in recent years, celebrity-branded goods such as fragrances and clothing lines have increased in popularity. When a firm utilizes celebrities to promote its brand, it helps more than just the company; these endorsement arrangements are also a profitable source of revenue. Tiger Woods' projected annual earnings range from \$20 to \$30 million (Keel & Natarajan, 2012).

Marketers spend a lot of money on advertisements and have a hard time convincing clients to buy their products or services. The ultimate goal is to manipulate customer purchasing decisions because most advertisers recognize that a purchase decision is the result of a lengthy consumer decision-making process. The purchasing approach is dynamic, involving issue identification, knowledge search, alternative evaluation, purchasing choice, and post-purchase evaluation. Advertisers must understand the fundamental desire that consumers are attempting to fulfill, as well as how these desires are translated into purchasing requirements, how

consumers gather information from various sources, and how this information is used to choose between competing products to make a purchase decision (Ingavale, 2013).

## **1.2 Statement of the Problem**

Individuals are regularly subjected to advertising across different platforms and mediums. It is a sort of communication that implies telling, suggesting, or convincing a certain set of individuals or consumers to choose whether or not to acquire a product or service. Shakib (2017) Believe that advertising has a major influence on consumer purchasing behavior. It has been a strong weapon in enhancing, increasing, and influencing our level of living, sharing information and bringing innovation to the general public, and supporting media businesses, enterprises, and other independent corporations in thriving in the worldwide market. Advertising is recognized as an important component of a marketer's economic development and various firms in competition. In many nations, advertising is regarded as the largest and most significant industrial service (Dulin, 2016).

In the current diverse landscape, it is challenging for marketers to convey promotional messages and information to consumers without employing advertisements. This difficulty can be attributed to globalization and the abundance of multiple platforms available for contemporary audiences. Modern customers today have access to a plethora of marketing stimuli as a result of the international economy. More often than not, consumerism refers to the habit of associating personal enjoyment with the acquisition of material items and excessive spending (Islam et al., 2017).

Rasool et al. (2012) on the other hand, discovered that pricey product advertisements and ad repetition have a detrimental impact on customer purchasing behavior. People frequently rely on advertising for product information rather than other sources, such as family, friends, and reference organizations. Advertisement has an impact on individuals of all economic levels, but it has no higher impact on high-end items.

In today's society, which is heavily focused on advertising and filled with sellers who rely on imaginative tactics, the phrase "jo dikhta hai wohi bikta hai" (what is seen sells) was coined. Advertising goes beyond simply providing information about products and services; it actively seeks to persuade people to take action by appealing to their reason or emotions. According to



Sawant (2012), changes in advertising can lead to changes in distribution, while changes in demand can impact distribution, which can ultimately affect income. Given that advertising has a direct impact on income, it is crucial to conduct thorough research and handle advertising campaigns properly, as noted by Farris and Reibstein (1984).

According to Tiwari (2016), advertisements were useful in conveying the message but were ineffective in altering client purchase behavior. In today's world of "me too" businesses, brand recognition is one of the most crucial aims of advertising. According to Regmi (2018), there are additional influencing elements that help to attract clients and increase market share besides celebrity endorsement.

Although there is empirical evidence in other countries regarding the topic and its effects on consumer behavior, no similar research has been conducted in Nepal. Therefore, the purpose of this study is to investigate the impact of advertising on consumer purchasing behavior, particularly through persuasive techniques, brand image, and celebrity endorsements. The study will address the following questions in the context of Nepal..

- i. What is the consumer's opinion of pricing fairness, persuasiveness, brand image, credibility, and attractiveness?
- ii. Is there a connection between the persuasiveness of a commercial and the physical beauty of the celebrity in terms of influencing customer behavior?
- iii. To what extent does the physical attractiveness and persuasiveness of a celebrity supported in advertising impact a consumer's decision in Nepal?

### **1.3 Objectives**

The primary goal of the research is to investigate how advertising affects the purchasing behavior of consumers in Nepal, particularly in terms of persuasiveness, brand image, and celebrity endorsements. The study has the following specific objectives:

- i. To examine how factors such as price fairness, persuasiveness, brand image, credibility, and attractiveness impact consumers' buying behavior.
- ii. To evaluate which of these advertising factors has the most significant effect on consumers' purchasing behavior.

- iii. To examine relationship between price fairness, persuasiveness, brand image, credibility, attractiveness, and consumers' buying behavior.

#### **1.4 Research Hypothesis**

A research hypothesis is a preliminary declaration that suggests a connection between two or more factors, and it serves as the foundation for practical research. It is a specific and testable prediction about the expected outcome of a study. The hypothesis is usually stated clearly and concisely, making it possible to test its validity using data and statistical analysis.

##### **Price Fairness**

This research proposes that there exists a direct correlation between customers' perception of reasonable pricing and their purchasing patterns. This hypothesis is based on the findings of previous research, which suggests that consumers who view prices as fair are more likely to be satisfied with their purchasing decisions and exhibit positive behaviors toward the seller. For instance, Qureshi and Malik (2017) found that consumers who perceive prices as fair are less likely to engage in negative behaviors such as leaving negative feedback, complaining, and switching to a different seller. The researchers AI-Salamin and AI-Hassan (2016) determined that there is a favorable connection between the perception of fair pricing and the purchasing behavior of consumers. Consequently, this study seeks to investigate whether a similar favorable association exists between consumers' perception of price fairness and their purchasing behavior in Nepal's specific context. Using this information, the study establishes the subsequent hypothesis:

*H<sub>1</sub>: There is a positive relationship between price fairness and consumer buying behavior.*

##### **Persuasiveness**

The persuasiveness of advertisements refers to the ability of an advertisement to persuade consumers to purchase a particular product or service. Previous research has shown that persuasive ads have a positive impact on consumer buying behavior. For example, Hornikx and O'Keefe (2009) confirmed that persuasive ads can influence consumers' purchasing decisions. Additionally, Smith et al.(2006) found that consumers often succumb to the

psychological pressure created by persuasive ads and decide to buy the advertised product. This suggests a positive relationship between persuasiveness and consumer buying behavior. Furthermore, research conducted by Ahmed and Ashfaq (2013) suggested that the effectiveness of advertising in influencing consumer intentions and purchasing behavior is dependent on two critical factors - persuasiveness and the use of celebrity endorsements. Additionally, Ohanian (1991) stated that celebrities can exert a positive influence on consumer behavior through the persuasiveness of their endorsement.

Studies conducted in different contexts have confirmed the positive relationship between persuasiveness and consumer buying behavior. For example, Alawadhi and Ors (2020) found that the persuasiveness of celebrities had a strong positive effect on Yemeni consumers' buying behavior. Similarly Pornpitakpan (2004) found that the use of celebrities for the persuasiveness of advertisements had a positive influence on consumers' purchase intentions. Based on it, this study develops the following hypothesis:

*H<sub>2</sub>: There is a positive relationship between persuasiveness and consumer buying behavior.*

### **Brand Image**

Brand image refers to how customers perceive a brand based on their interactions and experiences with the brand or their beliefs about what the brand represents. Earlier studies have demonstrated a significant and favorable association between brand image and consumer buying behavior. For example, Zhang (2015) discovered that brand image has a positive impact on customer satisfaction and loyalty. Other studies have also shown that brand image, trust, and effect are positively associated with brand extension attitudes (Anwar et al., 2011) and that brand image with honesty, integrity, and believability positively affects consumer buying behavior (Erdogan, 1999). Additionally, Udovita (2019) confirmed that brand image and customer purchasing behavior have a substantial beneficial link. Therefore, this study proposes the following hypothesis:

*H<sub>3</sub>: There is a positive relationship between brand image and consumer buying behavior.*

## **Credibility**

The credibility of a celebrity, which refers to their trustworthiness and expertise as perceived by consumers, has been shown to have a favorable effect on consumers' opinions of commercials, brands, and buy intentions. Thomas & Johnson (2017) Found that the expertise of the celebrity has a significant impact on consumer purchase intentions. Similarly, Minh and Anh (2020) found a positive relationship between sub-components of celebrity endorsement, such as trustworthiness and expertise, and consumer buying behavior. Pradhan-Salike & Pokharel (2017) found a positive relationship between consumer buying behavior and the credibility of the celebrity. Additionally, Gupta et al. (2015) found that the credibility of the celebrity significantly influences Indian customers' purchasing decisions in a good way. Based on this prior research, this study proposes the following hypothesis:

H4: There is a positive relationship between celebrity credibility and consumer buying behavior.

## **Attractiveness**

The hypothesis proposed is indicates the correlation between appearance and purchasing behavior is favorable. This is consistent with previous research that suggests that the physical attractiveness of a celebrity endorser, along with their credibility and congruence with the product being advertised, can have a positive impact on the consumer's perception of the product and their intention to purchase it.

Research conducted by Baniya (2017) also supports this hypothesis by demonstrating that the physical attractiveness of a celebrity endorser and their match-up with the brand can have a positive impact on developing a positive attitude towards the advertised product and consumer buying behavior. Similarly, research Minh & Anh (2020) showed a positive relationship between celebrity endorsement and consumer intentions, providing additional evidence to support the proposed hypothesis. Based on this prior research, this study proposes the following hypothesis:

*H5: There is a positive relationship between attractiveness and consumer buying behavior.*

## **Moderating Role of Demographic factor**

Age, gender, income, level of education, and cultural background are all examples of demographic variables that can significantly impact consumer buying behavior through advertisement. Moderating role refers to how these demographic factors can either strengthen or weaken the relationship between advertisement and consumer buying behavior.

For instance, a study conducted by Siddiqui & Sohail (2016) investigated the moderating role of demographic factors on the effect of advertising on the purchasing habits of consumers in Pakistan. The authors found that gender and age significantly moderated the relationship between advertising and consumer buying behavior. Women and younger consumers were found to be more responsive to advertising than men and older consumers. Another study conducted by Gohary et al., (2016) investigated the moderating role of income on how advertisements affect consumers' purchasing decisions in Egypt. The authors found that income significantly moderated the relationship between advertising and consumer buying behavior. High-income consumers were found to be more responsive to advertising than low-income consumers.

*H6: Gender moderates the relationship between overall Consumer buying behavior and advertisement.*

*H7: Income level moderates the relationship between overall Consumer buying behavior and advertisement.*

## **1.5 Scope and Relevance**

The goal of the study is to comprehend how advertising affects customers' purchasing decisions in the setting of Nepal. The research will look at the relationship between different independent variables, such as persuasiveness, brand image, and celebrity endorsement, and dependent variables, such as consumers' decision-making and purchasing behavior. By studying the impact of advertising on consumers' buying behavior, the study aims to provide insights that can help advertisers create more effective and persuasive advertisements that can drive positive outcomes for businesses. The study is significant as it can help businesses better understand

their target audience, and develop advertising strategies that can resonate with their target customers, thereby increasing the likelihood of success for their products and services.

Indeed, the study has a wide range of potential beneficiaries, including entrepreneurs, businessmen, and corporations who can leverage the insights gained from the study to develop effective advertising strategies that can increase sales and capture a substantial portion of the market space. Academicians, students, teachers, and practitioners who are involved in marketing and promotion activities can benefit from the study as it provides a comprehensive understanding of consumer behavior and the influential factors in advertising. It can also serve as a valuable resource for those who aspire to pursue a career in the advertising industry. Overall, the study has significant implications for various stakeholders, and its findings can be leveraged to develop more effective advertising strategies that can positively impact consumers' buying behavior in Nepal.

## **1.6 Limitations**

The study has certain limitations that result in some drawbacks, including the following aspects

- i. The research only focused on five variables that impact consumer purchasing behavior through advertisements.
- ii. The study excluded the non-linear regression assumption and instead assumed linear regression between the dependent and independent variables.
- iii. Since the respondents were exclusively internet users, it may not apply to other non-internet users. Therefore, the conclusion may not be suitable for everyone.
- iv. Other factors, such as demographic factors, celebrity influence, product match, and reliability, which affect consumer purchasing behavior, were not considered in the study.
- v. The study assumed a degree of homogeneity across consumers, which may not apply to all consumers.

## **1.7 Organization of Report**

This study report is divided into five chapters. The research report can be organized as follows:

### **Preliminary Part**

The study title, certification and declaration of authenticity, acknowledgment, and table of content, list of tables and figures, and executive summary of the research are all included in the preliminary section.

### **Body**

The body part of the research constitutes of five chapters:

#### **Chapter 1**

The first chapter is an introduction that comprises the study's background, problem statement, research questions, research report objectives, the importance of the study, limitations of the research report, and report organization.

#### **Chapter 2**

The second chapter literature review provides a study of numerous ideas and research variables from the literature. The theoretical framework and operational definitions of the variables are further explained in this chapter.

#### **Chapter 3**

The third chapter of research methodologies covers the study design, population and sample of the research, instrumentation, data sources, and data analysis of the responses.

#### **Chapter 4**

The fourth chapter analyzes, presents, and interprets data outcomes utilizing measurement and structural models.

#### **Chapter 5**

Finally, the fifth chapter discusses findings, conclusion and consequences for several areas of research.

## **Chapter II**

### **RELATED LITERATURE AND THEORETICAL FRAMEWORK**

This chapter provides an overview of empirical studies related to advertising and consumer purchasing behavior. The first portion of the chapter reviews related literature, which includes a description of relevant literature to the advertisement, brand image, celebrity endorsement, and consumer purchasing behavior in developing and established nations worldwide. The second section highlights the study's conceptual framework, which is associated with factors such as price fairness, persuasiveness, brand image, credibility, and physical attractiveness on the impacts of advertising on customers' purchase decisions through persuasion, brand image, and celebrity endorsement. The last observations are dealt with in the third portion of this chapter.

#### **2.1 Theoretical Review**

Several theories could be relevant to our research topic examines how persuasiveness, brand image, and celebrity endorsement affect customers' purchasing decisions in Nepal. Here are a few possibilities:

##### **2.1.1 Social Learning Theory**

According to the social learning hypothesis, people learn by seeing and mimicking the conduct of others, and the social environment has a significant impact on how people behave. Customers are exposed to a variety of messages in the context of advertising that mold their opinions of items and affect their purchasing choices. Through exposure to advertisements, consumers can observe the behavior of others, including the celebrities and endorsers who appear in ads, and learn from their example.

Bandura (1977) applied social learning theory to the study of advertising and consumer. He proposed that advertising can be seen as a form of social learning, in which consumers learn about products and brands by observing the behavior of others. Bandura argued that the persuasive power of advertising lies in its ability to influence consumers' beliefs and expectations about products and that these beliefs and expectations, in turn, shape their behavior. According to Bandura, the impact of advertising on consumer behavior can be



understood in terms of three key factors: the characteristics of the message, the characteristics of the consumer, and the social context in which the message is received. Another author who has explored the relationship between social learning theory and advertising is (Petty & Cacioppo, 1986). They proposed that the persuasive impact of advertising can be explained by the elaboration likelihood model, this implies that the effectiveness of persuasive message is depending upon the level of elaboration or cognitive processing that they receive.

In summary, social learning theory provides a useful framework for understanding the impact of advertising on consumer behavior, particularly in the context of persuasiveness, brand image, and celebrity endorsement in Nepal. By examining the characteristics of the message, the characteristics of the consumer, and the social context in which the message is received, researchers can gain insights into the factors that shape consumers' perceptions of products and their buying decisions.

### **2.1.2 Consumer Culture Theory**

Consumer culture theory examines how cultural and social factors shape consumption identity, and how consumer behavior, in turn, reflects and reproduces broader cultural and societal values. One author who has applied culture theory to the study of advertising and consumer behavior (McCracken, 1986). He argued that advertising is a key mechanism through which consumer culture is created and reproduced and that it plays a critical role in shaping consumer identity and lifestyle. According to McCracken, advertising creates and reinforces cultural meanings and symbols, which are then appropriated by consumers to construct their own identities and express their social status and belongingness. Another author who has explored the relationship between consumer culture theory and advertising is (Arnould & Thompson, 2005). They proposed that advertising can be seen as a cultural practice that reflects and reinforces cultural norms and values, and that it shapes consumer behavior by creating and perpetuating cultural meanings and practices. Arnould and Thompson argued that advertising is not just a mechanism for selling products, but a cultural system that shapes consumer identity and meaning-making.

In the context of how commercials in Nepal affect customers' purchasing decisions through persuasion, brand perception, and celebrity endorsement, consumer culture theory provides a useful lens for understanding how advertising messages shape consumer identity and lifestyle

in a specific cultural context. By examining how advertising reflects and reinforces cultural values and meanings, researchers can gain insights into the factors that influence consumers' perceptions of products and their buying decisions. Furthermore, understanding the cultural dimensions of advertising can help marketers design more effective and culturally relevant advertising campaigns.

### **2.1.3 Brand Equity theory**

Brand equity theory suggests that a brand's value is based on consumers' perceptions of the brand, including their awareness, associations, loyalty, and overall satisfaction with the brand. Advertising plays a significant role in shaping consumers' perceptions of a brand, and can influence consumer purchasing through their Persuasion, brand perception, and celebrity endorsement.

Keller (1993) applied brand equity theory to the study of advertising and consumer behavior. He proposed that advertising can help to create and enhance brand equity by building brand awareness, establishing brand associations, and eliciting positive consumer responses to the brand. According to Keller, persuasive advertising messages can help to create a strong brand image and reinforce positive brand associations in consumers' minds, which can lead to greater brand loyalty and a higher willingness to pay a premium for the brand.

On how persuasiveness, brand perception, and celebrity endorsement affect customers' purchasing decisions in Nepal, brand equity theory provides a useful framework for understanding how advertising messages can create and enhance the value of a brand. By examining how advertising messages influence consumers' perceptions of a brand and their willingness to pay a premium for it, researchers can gain insights into the factors that contribute to brand equity. Furthermore, understanding the role of advertising in building brand personality and creating emotional connections with consumers can help marketers design more effective advertising campaigns that build brand equity over time.

#### **2.1.4 Social Identity Theory**

According to the social identity theory, group affiliation may affect one's behavior, attitudes, and preferences. It also contends that people get some of their sense of self from the groups to which they belong. One recent study that has applied social identity theory to the study of advertising and consumer behavior is the work of (Ellemers et al., 2021). The authors examined how brand symbolism in advertising messages can activate consumers' social identities and influence their product preferences. They found that advertising messages that used brand symbolism to appeal to consumers' social identities were more effective at increasing brand preferences and purchase intentions than advertising messages that did not use such symbolism.

In the context of how persuasiveness, brand image, and celebrity endorsement affect customers' purchasing decisions in Nepal, social identity theory provides a useful framework for understanding how advertising messages can activate consumers' group identities and influence their product preferences. By examining how advertising messages appeal to consumers' social identities and create emotional connections with them, researchers can gain insights into the factors that contribute to consumer behavior and purchasing decisions. Furthermore, understanding the role of social identity in shaping consumer preferences and attitudes can help marketers design more effective advertising campaigns that resonate with their target audience.

#### **2.1.5 Cognitive Dissonance Theory**

Cognitive dissonance theory proposes that individuals experience psychological discomfort when they are confronted with information or situations that are inconsistent with their beliefs, attitudes, or behaviors. This discomfort motivates them to seek ways to reduce the dissonance and restore consistency. One recent study that has applied cognitive dissonance theory to the study of advertising and consumer behavior is the work of (Shahin Sharifi & Rahim Esfidani, 2014). The authors examined how consumers' attitudes toward brand endorsement in advertising can be influenced by their prior beliefs about the endorsed brand and the celebrity endorser. They found that consumers who had prior negative beliefs about the endorsed brand were more likely to experience cognitive dissonance when exposed to advertising messages

that used celebrity endorsement to promote the brand. This cognitive dissonance led to lower brand attitudes and decreased purchase intentions.

About how persuasiveness, brand perception, and celebrity endorsement affect customers' purchasing decisions in Nepal, cognitive dissonance theory provides a useful framework for understanding how consumers may experience psychological discomfort when confronted with advertising messages that are inconsistent with their prior beliefs or attitudes. By examining the factors that influence consumers' cognitive dissonance, researchers and marketers can gain insights into the mechanisms that underlie consumer behavior and purchasing decisions. Furthermore, understanding the role of cognitive dissonance in shaping consumer attitudes and preferences can help marketers design more effective advertising campaigns that minimize the potential for dissonance and maximize the likelihood of positive consumer outcomes.

## **2.2 Conceptual Review**

This section provides a review of major conceptual studies associated with the effect of advertisement on how persuasiveness, brand image, and celebrity endorsement affect customers' purchasing decisions in Nepal.

### **2.2.1 Price Fairness**

Grewal, Monroe, and Krishnan (1998) found that price promotions in advertisements were more effective when consumers perceived them as fair. They found that consumers were more likely to buy products that were advertised with a fair price promotion, such as a discount or coupon, than those that were advertised with an unfair promotion. Suri, Monroe, and Lalwani (2007) examined how consumers responded to advertisements that presented price information in different ways. They found that consumers were more likely to perceive a price as fair when it was presented in a way that emphasized the value of the product, rather than just the price itself. For example, an advertisement that highlighted the benefits of a product and then presented a price was perceived as fairer than an advertisement that simply presented a low price. Kim and Lee (2011) studied the impact of advertising on consumers' buying behavior in the context of online shopping. They found that consumers were more likely to buy from online retailers that advertised prices that were perceived as fair. They also found that consumers'

perception of price fairness was influenced by factors such as the retailer's reputation and the product category.

Overall, these studies suggest that consumers' perception of price fairness is an important factor in their buying behavior, and that advertisements can influence this perception. Advertisements that present prices in a way that emphasizes the value and benefits of the product are more likely to be perceived as fair, and can be more effective in driving consumer purchases.

### **2.2.2 Persuasive Advertisement**

Persuasive advertising is a technique used by businesses to persuade and influence consumers to take a desired action, such as purchasing a product or service. The literature on persuasive advertising has been extensive and has investigated various aspects of persuasive advertising, including its effectiveness, ethical considerations, and the psychological mechanisms underlying its effectiveness. One study by Petty and Cacioppo (1986) found that the effectiveness of persuasive advertising depends on the level of involvement of the consumer in the product or service being advertised. Highly involved consumers are more likely to be persuaded by high-quality arguments, while low-involvement consumers are more influenced by peripheral cues, such as the attractiveness of the spokesperson.

Another study by Kahneman and Tversky (1984) explored the concept of cognitive biases, which are systematic errors in thinking that can influence decision-making. They found that consumers are more likely to be persuaded by advertising that appeals to their emotions and uses vivid and concrete language to describe the benefits of the product or service.

In terms of ethical considerations, one study by Smith and Cooper-Martin (1997) examined the use of fear appeals in advertising. They found that while fear appeals can be effective in changing behavior, they can also be unethical if they use extreme or unrealistic scenarios that create unnecessary anxiety or distress for the consumer. Other studies have investigated the role of social influence in persuasive advertising. Cialdini and Goldstein (2004) found that people are more likely to be influenced by advertising that uses social proof, or evidence that other people have already taken the desired action, such as purchasing the product or service.

### **2.2.3 Brand Image**

Brand image is a key component of a company's overall brand identity and is shaped by various factors, including advertising. Advertising plays a crucial role in creating brand image and can influence consumers' perceptions of a brand, which in turn can affect their buying behavior.

Keller (1993) in his seminal work on brand image, Keller argued that a strong brand image can create a competitive advantage for a company by influencing consumer perceptions and behavior. He also emphasized the role of advertising in shaping brand image, highlighting the importance of consistency and coherence in advertising messages.

Aaker (1991) in his work on brand personality emphasized the importance of advertising in shaping consumers' perceptions of a brand's personality traits. She argued that advertising can help to create a unique brand personality that sets a company apart from its competitors and resonates with consumers. Erdem and Swait (1998) focused on the impact of advertising on consumers' perceptions of brand quality. They found that advertising can influence consumers' perceptions of a brand's quality, which in turn can affect their willingness to pay a premium price for the brand.

Keller and Lehmann (2006) in their work on brand equity, they emphasized the role of advertising in creating brand awareness and associations, which are key components of brand equity. They argued that effective advertising can help to create strong brand equity, which can have a positive impact on consumers' buying behavior.

### **2.2. 4 Credibility**

Credibility is a critical aspect of any communication or information exchange, and there has been considerable research on this topic. In this review of literature, we will discuss some of the key works by authors in the field of credibility. One of the most influential works on credibility is "The Source Credibility Model" by Hovland and Weiss (1951). The authors proposed that the credibility of a source is determined by its perceived expertise and trustworthiness. The model has been extensively studied and modified over the years, but it remains a foundation for understanding credibility.

Another key work in the field is "A Cognitive View of the Role of Schemas in the Perception of Credibility" by Chaiken (1979). The author proposed that the credibility of a source is influenced by the cognitive structures or schemas that people use to interpret information. The work emphasizes the importance of understanding the cognitive processes involved in credibility judgments. Fogg and Tseng (1999) conducted a study on the elements of web credibility, proposing that web design and content quality, reputation and authority of the source, and user experience and interaction are the key factors that influence credibility on the web.

### **2.2. 5 Attractiveness**

The impact of advertisement on consumers' buying behavior through attractiveness is an important topic in marketing and consumer research. Attractiveness can be defined as the degree to which an individual or object is perceived as desirable, appealing, or pleasing. In the context of advertising, attractiveness can refer to the attractiveness of the model, spokesperson, or celebrity featured in the advertisement. Research has shown that the use of attractive models, spokespeople, or celebrities in advertisements can have a positive impact on consumers' attitudes and purchase intentions. For example, a study conducted by Kahle and Homer (1985) found that using attractive models in advertisements increased consumers' positive attitudes toward the advertised product and their intention to purchase it. Similarly, a study conducted by Erdogan et al. (2001) found that using celebrity endorsers in advertisements had a positive impact on consumers' attitudes toward the advertised product and their intention to purchase it. However, the effectiveness of using celebrity endorsers depends on the fit between the celebrity and the product being advertised, as well as the credibility and trustworthiness of the celebrity endorser.

Overall, the use of attractiveness in advertising can have a significant impact on consumers' attitudes and purchase intentions, but the effectiveness of using attractive models, spokespeople, or celebrities depends on various factors such as the fit between the endorser and the product, the credibility and trustworthiness of the endorser, and the level of distraction caused by the endorser's attractiveness.

### **2.3 Emperical literatures**

Malik et al. (2013) aimed to investigate the influence of brand image and advertising on consumer buying behavior in Gujranwala City. The researchers collected data from a sample of 175 respondents using a questionnaire over a period of one month. The findings of the study revealed that brand image and advertising had a significant positive impact on consumer purchasing behavior in the context of Gujranwala. Specifically, the study found that teenagers in Gujranwala were particularly conscious of their social status and had a preference for branded products. These results suggest that the brand image and advertising of products can be important factors in influencing consumer behavior, particularly among younger age groups who place a higher value on social status and image.

Al-Salamin and Al-Hassan (2016) analyzed the effects of pricing strategy on customer psychology and purchasing behavior. The study collected quantitative data through an online questionnaire that was distributed to 1000 people in the Al-Hassa region of Saudi Arabia, with 433 responses received. The collected data was analyzed using SPSS and Excel, and the reliability and validity of the study were assessed using Cronbach's Alpha coefficient. The findings showed a favorable correlation between pricing and customer purchasing patterns, and no significant difference was found between individuals' responses based on age, gender, marital status, qualification, and monthly salary regarding the three pricing strategies (odd, bundle, and discount pricing). However, the study found a significant difference in the responses of individuals based on gender regarding the odd pricing strategy. Based on these findings, the study provided recommendations for retailers and dealers.

Pan and Meng (2016) study aimed to investigate the moderating role of third-person perception (TPP) in the relationship between celebrity beauty, trustworthiness, advertising skepticism, and purchase intention in celebrity-endorsed advertising (CEA). The study involved 445 participants, with the majority being female respondents. The researchers found that consumers who perceived higher levels of celebrity trustworthiness in CEA were more likely to believe that others were influenced by it, leading to higher purchase intention. In other words, when consumers perceived the celebrity endorser as trustworthy, they believed that other people would also be influenced by the endorsement, which, in turn, increased their purchase intention. Furthermore, the study also found that TPP played a significant role in moderating



the relationship between celebrity beauty, trustworthiness, advertising skepticism, and purchase intention. Specifically, the participants' TPP beliefs influenced the relationship between celebrity trustworthiness and purchase intention. The study results suggested that TPP may amplify the impact of celebrity trustworthiness on purchase intention. Overall, the study highlights the importance of considering the role of TPP in the effectiveness of celebrity endorsement. Celebrity trustworthiness was found to be a crucial factor in the effectiveness of CEA, and the study showed that consumers' perceptions of TPP could amplify the impact of celebrity trustworthiness on purchase intention. Therefore, marketers should carefully select trustworthy celebrity endorsers and design their advertising campaigns to appeal to consumers' TPP beliefs to maximize the effectiveness of CEA.

Matthes et al. (2016) conducted a study to analyze the impact of emotional versus functional advertisements on consumers' green involvement. The study used a 1\*4 between-subjects experiment with four types of ads: a practical green ad, an emotional green ad, a mixed-style green ad, and a control group. The study was conducted in August/September 2012 with 484 respondents, and a second experimental analysis was done online with a total of 1015 individuals from an online access panel as part of a larger survey. The findings showed that emotional and mixed-type commercials had a significant impact on brand attitude, which was influenced by attitude towards the ad, regardless of whether or not customers were environmentally conscious. However, functional advertisements only had an effect on brand attitudes where there was a high level of commitment, as assessed by green buying activity or green product attitudes.

Akram et al. (2017) aimed to identify the important factors that contribute to the effectiveness of celebrity endorsements in advertising. Using a structured questionnaire and a quantitative approach, the study surveyed 245 respondents and found that celebrity endorsements have a strong positive impact on the effectiveness of advertising. The study also revealed that endorsers should be selected based on their trustworthiness, credibility, attractiveness, knowledge and skills, popularity, international appeal, cultural fit with the brand, and lack of any past controversies or scandals. Additionally, the study found that the price and consistent quality of the product also play a significant role in influencing consumer purchasing behavior.

Rauwers et al. (2018) compared the effects of creative media (CM) and traditional media (TM) advertising on consumers' responses. They conducted a field experiment with 78 participants recruited from two supermarkets, one using CM and the other using TM. The study found that CM advertising was more humorous and had a positive impact on consumers' affective and behavioral responses. Additionally, CM ads were more surprising, which significantly impacted consumers' cognitive responses. Singh and Banerjee (2018) found that celebrity credibility has a significant impact on brand attitude, advertisement attitude, and purchase intention. They used a 5-point Likert scale and a systematic random sampling technique to survey 380 respondents. The data was analyzed using SPSS 20 and AMOS 20.

Singh, and Banerjee (2018) examined the impact of celebrity credibility on customer attitudes towards the brand and advertisements, as well as their intention to make a purchase. The researchers selected 380 participants for their survey, and the participants rated the scale items using a 5-point Likert scale. The study findings suggested that customers were more likely to have positive attitudes towards the brand and advertisements if they perceived the celebrity endorser to be credible. In other words, if the celebrity was seen as trustworthy and knowledgeable in the relevant domain, customers were more likely to view the product or service being promoted in a positive light. Furthermore, the study found that celebrity credibility had a direct impact on customers' intention to make a purchase. These results suggest that celebrity endorsement can be an effective marketing tool, but it is crucial to carefully select the celebrity endorser to ensure that they are seen as credible by the target audience.

Zarouali et al. (2018) conducted a study to explore how communication among peers on Social Networking Sites (SNS) affects the cognitive and the way that social advertising affects teenagers' attitudes. 136 individuals between the ages of 14 and 16 participated in the study and answered sociodemographic questions in an online survey. ANOVA was used to test the hypotheses, and three 7-point bipolar items were used to gauge how people felt about the advertisement. The findings showed that social media advertising on SNSs had a more positive impact when adolescents engaged in while using the same SNS for online peer conversation. The study also found that social advertising on SNSs triggered less persuasion knowledge compared to non-social advertising.

Lopes and Veiga (2019) conducted a study to investigate the impact of various advertising perspectives on the intention to buy environmentally friendly products for different brands and customer categories. There were 449 participants in the three experiments that made up the research. Companies are under pressure to consider how their actions, particularly the way products are made and constructed, may affect the environment as consumer environmental consciousness among consumers grows. According to the poll, consumers are more likely to select an eco-efficient variant of an existing product than a completely new eco-efficient product. In addition, the study discovered that emotive as opposed to informational advertising language has a larger impact on customer buy intent for new eco-efficient items.

Tien et al. (2019) conducted a study that explored the connection between celebrity endorsement and brand equity in the context of social networking sites. The research involved surveying 472 social media customers in Vietnam in 2019, utilizing questionnaires designed in Google docs. Using a Likert scale of 1 to 5, with 5 denoting strong agreement and 1 denoting severe disagreement, the results of the research were evaluated. The use of celebrities as special customers to promote brands to customers is a popular trend at present. According to the findings of this study, the alignment between celebrities and brands is crucial. The research demonstrated that celebrities with a high level of expertise can enhance brand equity and have a greater impact on social media. Additionally, good expertise can influence customers' attitudes.

Ebrahim (2020) study aimed to explore the impact of social media marketing on brand equity and brand loyalty, with a particular focus on the role of trust. The research involved an online survey of 287 social media users who followed telecommunication companies. The collected data was analyzed using SPSS version 22.0 and AMOS version 18 to test hypotheses. The findings of the study revealed that brand trust played a crucial role in mediating the relationship between social media marketing activities and brand equity and loyalty. Specifically, the study found that trendiness, personalization, and word-of-mouth had a direct impact on brand loyalty and an indirect impact on brand equity through the mediating role of brand trust. This implies that social media marketing activities can be effective in building brand equity and loyalty, but they need to be perceived as trustworthy by consumers. Therefore, trust is an essential element that needs to be considered when designing social media marketing strategies.

**Table 1***Review of recent literature*

Authors	Major Findings
Malik <i>et al.</i> (2013)	The way a brand is perceived and the promotion of it through advertising have a powerful and noteworthy impact on how consumers make purchases. .
Al-Salamin and Al-Hassan (2016)	Consumer purchasing behavior has a strong correlation with price, where an increase in price is associated with an increase in purchasing behavior.
Pan and Meng (2016)	The perception of third-person (TPP) was found to be associated with celebrity expertise and attractiveness in a positive way, while it was negatively affected by skepticism towards advertising.
Matthes <i>et al.</i> , (2016)	The brand attitude is notably impacted by emotional and mixed-type advertisements, which is influenced through the attitude towards the advertisement itself.
(Akram <i>et al.</i> , 2017)	The effectiveness of advertising is greatly influenced by factors such as the popularity, knowledge and abilities, credibility, suitability of the celebrity, and the loyalty of their audience.
Rauwers <i>et al.</i> (2018)	The utilization of creative media advertisement has a notable beneficial effect on how consumers respond, behave, and think.
Singh, and Banerjee (2018)	The credibility of a celebrity can greatly impact how consumers perceive a brand and its advertisements.
Zarouali <i>et al.</i> (2018)	When adolescents participate in peer communication online, using a social ad can have a notable beneficial effect on their attitude.
Lopes and Veiga (2019)	The likelihood of consumers intending to purchase a new Eco-efficient Product (EP) is higher when the advertisement uses emotional language instead of informative language.
(Tien <i>et al.</i> , 2019)	Brand Equity is positively correlated with the various sub-components of Celebrity Endorsement, such as Trustworthiness, Attractiveness, and Expertise, with Expertise having the most significant impact.
Ebrahim (2020)	There are three aspects to social media marketing (SMM) which are trendiness, customization, and word-of-mouth. These characteristics of SMM impact consumer loyalty towards a brand and their intention to make a purchase.

## 2.4 Research Gap

This chapter provided an overview of different theories and empirical studies related to the impact of advertising on consumers' purchasing behavior in Nepal. The studies examined the effects of factors such as persuasiveness, brand image, and celebrity endorsement on consumers' buying behavior. The analysis focused on five independent variables, including price fairness, persuasiveness, brand image, credibility, and attractiveness, and their influence on one dependent variable: consumers' purchasing behavior.

In traditional research studies, examining a single variable's impact on a particular phenomenon is common. For example, a researcher may investigate how brand image influences consumer buying behavior. However, in this case, we have taken a different approach by examining multiple variables at once - specifically, persuasiveness, brand image, and celebrity endorsement. By doing so, we are able to understand how these variables work together to impact consumer behavior. This approach is valuable because it recognizes that consumer behavior is often influenced by multiple factors, and it allows for a more comprehensive understanding of the phenomenon under investigation. Additionally, this approach fills a gap in existing research by examining these variables together, which has not been done mostly in previous studies in Nepal.

Rahman (2018) discovered that having a positive attitude towards a celebrity, providing clear information, and delivering a clear message in an advertisement can significantly increase the effectiveness of celebrity endorsement. Additionally, when examining the role of advertising in consumer decision-making, the study found a significant correlation between the respondent's gender and their ability to feel the relevance of the message in the ad, as well as a significant relationship between age and the ability of the ad to convince the respondent. The study also found that creativity in an ad has a significant impact on its ability to make the message relevant (Kumar et al., 2013).

In a separate study, Matulesy and Adiansunyani (2016) revealed that for BlackBerry mobile phone goods, there is a link between brand image, customer satisfaction, and brand loyalty. According to the study, there is a substantial correlation between customer satisfaction and

loyalty as well as a good association between a positive brand image and consumer satisfaction and brand loyalty.

While studies have been conducted on the effects of advertising on consumer behavior in developed nations, research on this topic in underdeveloped countries like Nepal is scarce. Therefore, a study was conducted to investigate the impact of advertising and its various factors on the purchasing behavior of Nepalese consumers. According to Neupane (2019), respondents showed a preference for TV advertisements and considered it to be the most popular and effective medium, compared to radio, print, and other forms of media. Additionally, Baniya (2017) found that physical attractiveness, source credibility, and celebrity brand matchups had a positive correlation with customers' intention to purchase.

The study has identified a research gap in the Nepalese context and proposes a framework for determining how effective advertisements are in influencing consumer buying behavior through factors such as persuasiveness, brand image, and celebrity endorsement. The aim of this study is to encourage further research in this area and address the gap in understanding the impact of advertising on consumer behavior. Ultimately, the study intends to stimulate more literature exploring the relationship between advertising and consumer buying behavior.

## **2.5 Conceptual Framework**

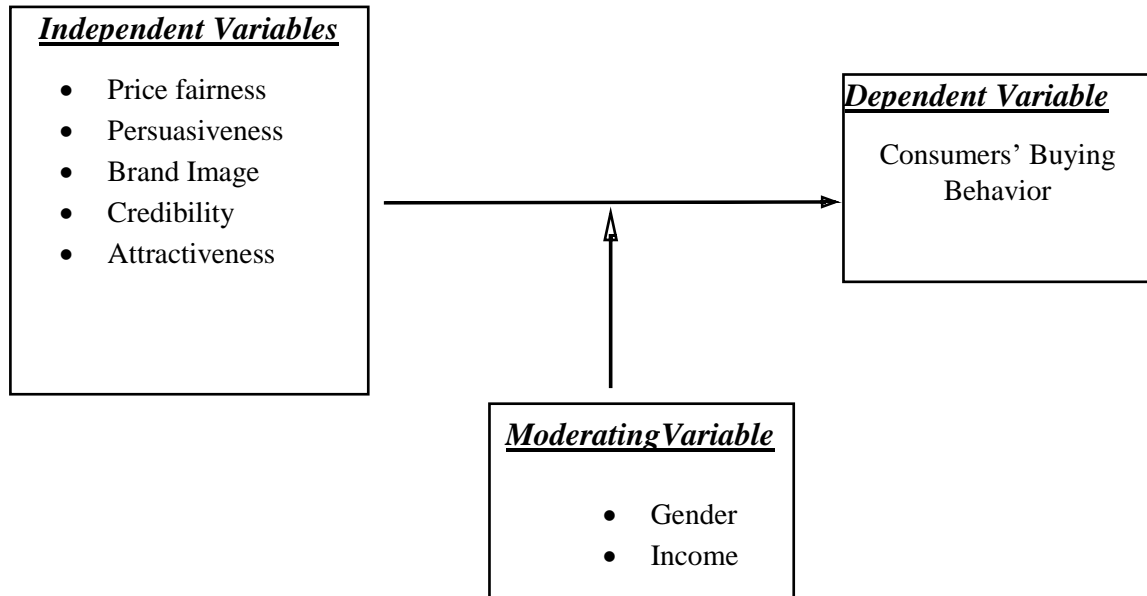
The theoretical structure of assumptions, principles, and laws that ties together the concepts that comprise a wide notion is referred to as the conceptual framework. A conceptual framework is a collection of c widely defined concepts carefully structured to give a focus, reason, and tool for information integration and interpretation. A conceptual framework, which is often articulated abstractly using word models, serves as the conceptual underpinning for numerous theories, including communication theory and general system theory. As the conceptual framework is potentially so near to empirical inquiry, it might operate as a map that gives coherence to empirical investigation, taking multiple shapes depending on the study topic or difficulties.

The major literature on advertising in Nepal and elsewhere has highlighted certain crucial topics and insights. The study's dependent variable is customer purchasing behavior, whereas

the independent factors are price fairness, persuasiveness, brand image, credibility, and attractiveness. Figure 2.1 shows the theoretical foundation for this investigation based on this.

**Figure 1**

*Conceptual framework*



Source: (Ahmed & Ashfaq, 2013)

The above conceptual framework shows the many aspects that are linked to the advertisement and their influence on buyer purchasing behavior in the context of the Nepalese market. The study also aids in the investigation of the link between the dependent and independent variables.

## **2.6 Operational Definition of variables**

This chapter discussed the operational definitions of the variables used in this investigation. The study seeks to determine the link between pricing, persuasiveness, brand image, credibility, attractiveness, and customer purchasing behavior. The operational definitions of the variables utilized in this investigation have been addressed in this section.

### **2.6.1 Dependent variable**

A variable in a research study that is predicted to change as a result of the modification of an independent variable is called the dependent variable. In other words, the variable is what is being observed or measured in order to discover how the independent variable affects it.

### **Consumer Buying Behavior**

Consumer behavior refers to the actions and decision-making processes involved in the selection, purchase, use, and disposal of goods and services by individuals or households. These behaviors are impacted by a number of variables, including personal traits, societal and cultural factors, psychological factors, and marketing and advertising messages. Understanding consumer behavior is important for businesses to create effective marketing strategies and product offerings that meet the needs and preferences of their target audience (Roy, 2022)

### **2.6.2 Independent Variable**

The independent variable is a variable in a research study that is manipulated or changed by the researcher to see how it affects the dependent variable. The variable in question is the one that is thought to have an impact on the dependent variable.

### **Price Fairness**

Price fairness is a concept that refers to a consumer's perception of whether a seller's price for a product or service is reasonable and justifiable in comparison to the prices of similar products or services offered by other sellers or in other markets. It encompasses not only the objective price of the product but also the consumer's subjective appraisal of the value they receive in exchange for that price (Xia et al., 2004).

### **Persuasiveness**

Persuasiveness refers to the ability to convince or influence someone to take a particular course of action or adopt a certain point of view through the use of arguments, entreaties, or other forms of communication. It is a key component of effective communication and can be used



in various contexts, such as in marketing, politics, or personal relationships. Persuasion involves understanding the audience's needs and desires and crafting messages that are tailored to their interests and motivations (Macagno & Malton, 2008)

### **Brand Image**

Brand image refers to the overall impression that consumers have of a particular brand, which includes both emotional and functional aspects. The emotional aspects of brand image can include feelings of trust, loyalty, admiration, and excitement, while the functional aspects can include attributes such as quality, performance, and reliability (Arora & Stoner, 2009).

### **Credibility**

The trustworthiness and dependability of information gained from outside sources are referred to as credibility. When determining the reliability of a source, take into account the credibility and expertise of the source(s) of the information. Because authors who are published in a journal are acknowledged as subject-matter experts by their academic peers, as opposed to anyone being able to go online and present information with little to no scientific support, scientific information obtained from a reputable journal, for instance, has a higher level of credibility than information obtained from the internet. (Ginsca et al., 2015)

### **Attractiveness**

Attractiveness is a subjective perception of beauty, desirability, or appeal that can influence social interactions and decision-making. It is often associated with physical appearance, but can also be related to other qualities such as personality, intelligence, or social status. Attractiveness can affect interpersonal relationships, as people may be more drawn to those they find attractive and may treat them differently than those they find less attractive. In marketing and advertising, attractiveness is often used as a persuasive tool to sell products or services, as it can help to create positive associations with a brand or product. However, it is important to note that attractiveness is highly subjective and can vary depending on cultural, social, and individual factors (Alicke & Zell, 2009).

### **2.6.3 Moderating Variable**

A moderating variable affects the direction or strength of the relationship between two variables. It can explain under what conditions the relationship between two variables is stronger, weaker or non-existence.

#### **Gender**

Gender is an important demographic factor that affects how consumers perceive and respond to advertisements. Research has shown that men and women have different preferences and attitudes towards advertisements, which can influence their buying behavior. According to a study by Keng and Lin (2016) gender moderates the relationship between ad appeals and consumer responses. The study found that men and women respond differently to different ad appeals. For example, men tend to respond more positively to advertisements that emphasize status and power, while women respond more positively to ads that emphasize social responsibility and emotional appeal.

#### **Income level**

Income level is particularly important as it can influence the consumer's perception of the product, its value, and the advertisement's persuasive ability. According to a study by Lee and Kacen (2008) income level moderates the relationship between advertising and purchase intention. The study found that high-income consumers were more likely to be influenced by advertising in their purchase intention, while low-income consumers were less likely to be affected. The researchers suggested that high-income consumers are more receptive to advertising because they have more disposable income to spend on luxury goods and services.

## **Chapter III**

### **RESEARCH METHODS**

Research methods is the systematic and theoretical analysis of the methods applied to a research project. It includes the approach, design, data collection, analysis, and interpretation of results. There are diverse research approaches, including case studies, action research, mixed methods, qualitative research, and quantitative research. The choice of methodology depends on the research questions, the nature of the research problem, and the available resources. The methodology should be carefully chosen to ensure that the research is rigorous, valid, and reliable. A well-designed methodology provides a roadmap for conducting the research and helps to minimize bias and error. Ultimately, the methodology plays a critical role in the success of the research project, helping to ensure that the research questions are answered accurately and effectively.

#### **3.1 Research Design**

Descriptive research methodology is a kind of study that aims to represent and understand the characteristics of a phenomenon or population. It is used to answer questions about who, what, where, when, and how. In this study, descriptive research was used to collect data and identify relevant information regarding the commercial and its influence on customer behavior. This methodology helped the researchers to gather information on the thoughts, perceptions, and characteristics of the respondents. Causal research methodology, on the other hand is employed to establish causal connections between variables. This study was used to examine the fundamental concerns linked with the influence of marketing on customers' purchasing behavior through persuasiveness, brand image, and celebrity endorsement. This methodology helped the researchers to identify the causal relationship between marketing and customer behavior.

Overall, the combination of these two research methodologies allowed the researchers to gather both descriptive and causal information about the phenomenon being studied. The use of both methodologies also helped the researchers to identify patterns and relationships between variables, which would not have been possible using just one methodology. The correlation

analysis displays the direction of the link between the variables, but the regression analysis utilized in the study gives both magnitude and direction between the variables.

### 3.2 Population and Sample

o assess the impact of advertising on consumer purchasing behavior, the study's sample population comprises individuals from Nepal's major cities, including but not limited to Kathmandu, Bhaktapur, Lalitpur, Tikapur, Nepalgunj, Biratnagar, and other cities.. Since the population is unknown for this study (Cochran , 1977) was utilized to calculate the population's sample size.

$$n_0 = Z^2 pq/e^2$$

Where,

n= Sample size

p = Population percentage having a particular trait

q = 1-p

z = Z value (95% confidence interval: 1.96, for example)

e= Error margin

The suggested value of p and q for the unidentified population is 50% for each. At a 95%

Level of confidence, the z value is 1.96, and the sampling error e = 5%.

$$n_0 = Z^2 pq/e^2$$

$$n_0 = 1.96^2 * 0.5 * 0.5 / 0.05^2 = 384$$

Using the formula, we can calculate that the minimum sample size required is 384. This means that a sample size of at least 384 is needed to achieve the desired level of precision and confidence in the study

### **3.3 Sources of data**

The study is focused in large part on gathering primary information to evaluate the impact of advertising in Nepal, particularly with regard to persuasion, brand image, and celebrity endorsement. The study's respondents were drawn from major cities in Nepal to investigate the effect of advertising on consumer purchasing behavior. The study had a total of 384 Nepalese respondents, which is the number of observations used for the study. This sample size was considered appropriate for the research question and objectives. The use of primary data sources allowed for the collection of original and current data, which was specific to the research objectives. Overall, the study's methodology and sample size were carefully chosen to ensure the validity and reliability of the study's findings.

### **3.4 Instrumentation**

The questionnaire used in this study is developed by different authors. Regarding the questionnaire related to the impact of advertising considering various factors, it was developed by Shumaila Ahmed and Ayesha Ashfaq in 2013. The questionnaire related to Consumer buying behavior was developed by Glehlito Dulin in 2016.

The initial part of the process focuses on acquiring demographic data about the respondents, including their age, gender, level of education, income, and occupation. This information can help researchers understand the characteristics of the sample and how they may influence the study's results. The second component includes closed-ended Likert questions for each variable. Likert scales are commonly used in research studies to measure attitudes and opinions. The Likert scale in this study has a range of 1 to 5, with 1 denoting strongly disagree and 5 denoting strongly agree.

### **3.5 Construct Reliability and validity**

The consistency and stability of the findings from a research investigation are referred to as reliability. Results from a reliable measure are consistent throughout time, among researchers, and in various study contexts. Test-retest reliability, inter-rater reliability, and internal consistency reliability are only a few techniques for evaluating dependability. In contrast, validity describes the veracity and correctness of the findings of a research investigation. A measure is valid if it captures the notion it is meant to measure. There are several kinds of

validity, including construct validity, criterion validity, face validity, and content validity. To ensure both reliability and validity in research, it is important to use appropriate and well-validated measures, to train researchers or raters to administer measures consistently, and to carefully select and recruit participants to ensure that they are representative of the population of interest. Additionally, it is important to use appropriate statistical analyses to assess reliability and validity, such as factor analysis, correlation analysis, and regression analysis.

Cronbach's Alpha is a statistic. Cronbach's alpha is the most often used internal consistency reliability measure. The research measures the trustworthiness of primary data using Cronbach's Alpha. It enables the searcher to assess the consistency of the various categories. It depends on the total number of test items, their average, and their intercorrelation. A coefficient of more than or equal to 0.7 is often regarded as satisfactory and is a sign of the construct's dependability. The Cronbach's alpha coefficient for the raw data is shown in the table. Table 2 shows the validity and reliability of the study.

**Table 2**

*Coefficient of Cronbach's Alpha*

<b>Variables</b>	<b>No. of Questions</b>	<b>Cronbach's Alpha</b>
Consumers' Buying Behavior	5	0.765
Price Fairness	5	0.791
Persuasiveness	5	0.840
Brand Image	5	0.862
Credibility	5	0.862
Physical Attractiveness	5	0.894
Overall	30	0.836

*Source: Responses on Survey Likert Questionnaire*

The reliability test for every item on a questionnaire on how ads affect consumers' purchasing decisions in the context of Nepal is shown in Table 2. SPSS was used to calculate the data. Cronbach's Alpha of 30 quantitative data is 0.836, which implies that 83.6 percent of the data collected for the study are trustworthy and 16.4 percent of the data are incorrect. Data with a Cronbach's Alpha greater than 0.7 is regarded to be reliable data. Thus, the overall study is reliable and valid.

### **3.6 Data Analysis**

This section explains how the research data was utilized to investigate the influence of advertising on Nepalese consumers' purchasing behavior, with a focus on persuasiveness, brand image, and celebrity endorsement. The study employed a questionnaire to gather information on advertising functionality and its effects on consumer behavior and practical implications. The four components of the data analysis process were as follows. The first entailed the analysis of primary data, which gave a summary of descriptive statistics about the respondents' basic characteristics, such as gender, age, educational background, occupation, and income level, as well as the percentage frequency distribution of such data. To test the significance of the response, cross-tabulation based on respondents' strata was performed.

The examination of descriptive statistics is covered in the second section. Examples include the mean and weighted average mean values of consumer purchasing behavior, pricing fairness, persuasiveness, brand image, credibility, and endorsement by celebrities. The characteristics of the sample throughout the study period were described using these statistics.

In the third portion, Pearson correlation coefficients are used to analyze the influence of advertising on Nepalese customers' purchase decisions in terms of persuasion, brand image, and celebrity endorsement.

The original data are subjected to a regression analysis in the fourth part, too. The link between the dependent variable (i.e., consumer purchasing behavior) and independent factors including pricing fairness, persuasiveness, brand image, credibility, and attractiveness was estimated using a multiple regression model. An SPSS worksheet was created using the coded and tabulated information obtained from the respondents. The results of numerous surveys were analyzed and the results' interpretation was done using SPSS (Statistical Program of Social Science). The outcomes were obtained using tools including frequencies, descriptive statistics, causal-comparative analysis, and reliability analysis (Cronbach's alpha).

### **3.7 Ethical Consideration**

Adherence to research ethics is important because it promotes trust in scientific research and protects the interests of participants. Without ethical guidelines, researchers could potentially exploit or harm participants, which could have serious consequences for both individuals and

the scientific community as a whole. By following ethical guidelines, researchers can help ensure that the information they collect is accurate, reliable, and unbiased and that the rights and well-being of participants are protected. In this study, the researcher took several steps to comply with ethical standards, including obtaining informed consent, maintaining confidentiality, and properly citing external sources. These measures help to maintain the integrity of the research and protect the welfare of the participants involved.



## **Chapter IV**

### **ANALYSIS AND RESULTS**

This chapter focuses on analyzing data collected from a research questionnaire. The chapter likely includes a discussion of the methods used to collect the data and the characteristics of the respondents who completed the questionnaire. The first section of the chapter likely focuses on presenting and analyzing the primary data collected from the questionnaire survey. This may include tables, graphs, and other visual representations of the data, as well as a discussion of any patterns or trends that emerged from the analysis. The second section of the chapter may focus on analyzing a regression model, which is a statistical tool used to examine the relationships between different variables in the data set. This section may include a discussion of the correlation analysis and regression coefficients used to analyze the data and may provide insight into the factors that influence the respondents' purchasing decisions. Finally, the third section of the chapter likely includes concluding remarks that summarize the key findings of the study and discuss their implications for the field of study. This section may also identify any limitations of the study and suggest directions for future research.

In general, this chapter's goal is to give a thorough analysis of the information gathered from the research questionnaire and to make recommendations based on that analysis. The goal of the chapter is to transform the raw facts into knowledge that will help readers comprehend the subject of the study.

#### **4.1 Demographic Profile of Respondents**

The individual traits of the study participants are broken out in this section, which include factors such as gender, age group, education level, occupation, and income. The study also examines how the respondents are influenced by various factors such as brand image, persuasiveness, and celebrity endorsements in product advertisements. These demographic characteristics are crucial for understanding consumers' purchasing behavior. As such, this section offers a detailed analysis of the demographic characteristics of the study participants, as well as information about the broader population of respondents.

**Table 3***Respondents Demographics Traits*

Respondent Profile		Frequency	Percentage
Gender	Male	205	53.4
	Female	179	46.6
	Total	384	100
Age group	Below 25	157	40.9
	26-35	169	44
	36-45	39	10.2
	46 & above	19	4.9
	Total	384	100
	Education Level	SEE & below	16
Intermediate		35	9.1
Bachelors		182	47.4
Masters		133	34.6
M.Phil.		9	2.3
Ph.D.		9	2.3
Total		384	100
Occupation	Student	90	23.43
	Self employed	104	27.10
	Private/Government Job holder	180	46.87
	Non-worker(unemployed/retired)	10	2.60
	Total	384	100
	Income Level	Below 20000	148
20001-30000		39	10.2
30001-40000		58	15.1
40001-50000		60	15.6
50001-60000		29	7.6
60000 & above		50	13
Total		384	100

Table 3 displays the demographic characteristics of the participants in the study. Among the 384 respondents, 46.6% of women and 53.4% of men were present. The number of male participants was greater than the number of female participants, indicating that the study is not biased towards a particular gender. The majority of the participants belonged to the Young-Adult age group, with 44% falling within the 26-35 age range, followed by those under 25 years old at 40.9%, and 10.2% falling within the 36-45 age range, and 4.9% were aged 46 and above. Regarding education level, most respondents had a Bachelor's degree, with 47.4% having completed this level, followed by those with a Master's degree at 34.6%, and 9.1% have completed intermediate education, while 4.2% had completed SEE or lower. Additionally, 2.3% of respondents had completed their M.Phil. And Ph.D., respectively. In terms of occupation, a majority of respondents were employed in private or public jobs, accounting for 46.87%, followed by self-employed individuals at 27.10%, while 23.43% were students, and the remaining 2.60% were retired or unemployed. Concerning income level, the majority of respondents had an income below 20,000, which accounted for 38.5%, followed by that earning between 40,001-50,000 at 15.6%, and earning between 30,001-40,000 at 15.1%. Moreover, 13% of respondents had an income of 60,000 or above, while 10.2% had an income of 20,001-30,000, and the lowest percentage of respondents had an income of 50,001-60,000, which accounted for 7.6%.

#### **4.2 Descriptive statistics**

Five statements were given to the participants to gauge their level of ethical behavior. On a scale of 1 to 5, where 1 equals "strongly disagree," 2 equals "disagree," 3 equals "neutral," 4 equals "agree," and 5 equals "strongly agree," they rated these statements. As a consequence, based on the opinions of the respondents, the descriptive data on the degree of ethical conduct is provided in the table below.

**Table 4***Descriptive statistics of Consumer Buying Behavior*

Consumer Buying Behavior	Mean	Std. Deviation
A reasonable price of a product persuades me to buy the product.	3.94	0.898
Credible advertisement persuades me to buy the product.	3.54	1.006
Advertisement is a reliable source to collect information about the product.	3.76	1.039
Advertisement has a significant impact on buying decision of the consumer	3.9	0.957
The consumer feels more satisfied after buying advertised products.	3.43	1.133

Table 4 exhibits respondents' level of agreement regarding various consumer buying behavior. Five items were adopted that lead to consumer buying behavior. Based on the table, the mean values ranging from 3.43 to 3.94 indicate the average level of agreement with statements about factors influencing consumer behavior, and the standard deviation ranging from 0.898 to 1.133 indicates the degree of variation in responses for each statement, suggesting that there may be varying degrees of agreement among consumers regarding the impact of factors such as price, advertising, and satisfaction on buying behavior.

**Table 5***Descriptive Statistics of Price Fairness*

Price Fairness	Mean	Std. Deviation
A reasonable price makes the product more attractive.	3.9	0.941
Discounts and offers in price declared on the ad make it more interesting	4.08	0.938
I consider price an important factor for a product advertised	3.86	0.894
Fair product price brings customers loyalty.	4.14	0.915
I look for a cheaper alternative while making buying decisions.	3.47	1.114

Table 5 exhibits the mean values for the variables related to price fairness ranging from 3.47 to 4.14, indicating the level of agreement with statements related to pricing as a factor influencing consumer behavior. The standard deviation values ranging from 0.894 to 1.114

indicate the degree of variation in the responses for each statement. The statement with the highest mean value of 4.14 is "Fair product price brings customers loyalty," which suggests that, on average, the respondents in the sample agreed strongly with this statement. The statement with the lowest mean value of 3.47 is "I look for a cheaper alternative while making buying decisions," which suggests that, on average, the respondents in the sample disagreed somewhat with this statement. The standard deviation values for these variables suggest that there is some variation in the responses, which could indicate that different subsets of consumers have varying degrees of importance placed on pricing when making purchasing decisions.

**Table 6**

*Descriptive Statistics of Persuasiveness*

Persuasiveness	Mean	Std. Deviation
Persuasive advertisement helps me to choose among options.	3.55	0.857
A persuasive ad creates a new desire to buy the advertised product.	3.87	0.923
Persuasive ad helps remember the brand	3.92	0.892
Persuasive ad influence the buying decision	3.87	0.936
The persuasiveness of the ad depends upon the celebrity endorsed.	3.52	1.045

The range of the mean scores in the table is from 3.52 to 3.92, indicating that participants, on average, agreed to a moderate extent with the statements about the persuasiveness of advertisements. The mean score of 3.87 for two statements suggests that participants found these statements to be relatively more persuasive, while the mean score of 3.55 for one statement indicates that participants found it to be less persuasive. The range of the standard deviations in the table is from 0.857 to 1.045. Standard deviation is a measure of variation or variability of the data around the mean, with a higher standard deviation indicating a greater degree of variability in the ratings provided by the participants. The standard deviation scores in the table suggest that the participants' ratings for each statement varied to some degree, with the lowest standard deviation of 0.857 for one statement indicating that the ratings were more

consistent, while the highest standard deviation of 1.045 for another statement suggests that the ratings were more widely spread out.

**Table 7**

*Descriptive Statistics of Brand Image*

Brand Image	Mean	Std. Deviation
The brand image always creates awareness.	3.77	0.92
Advertisement creates a good brand image.	3.83	1.032
I feel secure whenever I buy a product with a good brand image.	3.82	0.975
Brand Image is an important factor in buying decisions.	3.94	1.034
I recommend a product to others with a good brand image.	3.85	0.928

The range of the mean values in this table is from 3.77 to 3.94. This means that on average, the respondents had a positive perception of brand image across all five statements, with the highest mean value (3.94) indicating that they considered brand image to be an important factor in their buying decisions. The range of SD values in this table is from 0.928 to 1.034. This means that the responses to each statement were moderately dispersed around the mean, with the lowest SD value (0.928) indicating that the respondents had relatively consistent opinions about recommending a product with a good brand image, while the highest SD value (1.034) indicating that the respondents had slightly more varied opinions about whether advertising creates a good brand image.

**Table 8**

*Descriptive Statistics of Credibility*

Credibility	Mean	Std. Deviation
The credibility of product is perceived by consumers through advertisement	3.47	0.939
Credibility comes from the endorsed celebrity's trait.	3.49	1.124
Credibility in advertisement always influences and creates dominance in the market to buy the product	3.54	0.941
The credibility of advertisement is the most important factor to influence buying decision	3.77	1.007
Credible advertisement inspires me to be loyal to the brand.	3.64	1.002

The range of mean values in the table is from 3.47 to 3.77, indicating that the respondents' overall agreement to the statements is relatively moderate. The standard deviation values indicate the degree of variation or dispersion in the respondents' ratings around the mean value. The range of SD values in the table is from 0.941 to 1.124, suggesting that there is moderate variability in the respondents' ratings for the statements. Overall, the table suggests that while there is some agreement among the respondents that credibility in advertisements influences their buying decisions and inspires loyalty to brands, there is also some degree of variability in their responses.

**Table 9**

*Descriptive Statistics of Attractiveness*

Attractive	Std. Mean Deviation	
Attractive celebrity-endorsed advertisements persuade me to buy products.	3.27	1.071
I only buy products with celebrity-endorsed	2.97	1.427
I trust the quality of the product which has endorsed attractive celebrity.	3.1	1.22
Advertisement with attractive celebrity creates attention toward a brand.	3.7	1.128
I am ready to spend more money on an attractive celebrity-endorsed product	2.93	1.293

The range of Mean in this table is from 2.93 to 3.7, with the highest Mean indicating that the statement "Advertisement with attractive celebrity creates attention toward a brand" received the highest average rating from the participants (Mean = 3.7). A measurement of the responses' dispersion from the mean is the standard deviation (SD). It indicates how much variation exists among the responses for each statement. The range of SD in this table is from 1.071 to 1.427, with the highest SD indicating that the statement "I only buy products with celebrity-endorsed" received the most diverse range of ratings from the participants. In summary, the Mean values indicate the overall level of agreement with the statements, while the SD values indicate how consistent or varied the responses were.

### 4.3 Normality Test

**Table 10**

*Shapiro-Wilk Test*

	Shapiro-Wilk		
	Statistic	df	Sig.
Consumer Buying Behavior	0.931	384	0
Price Fairness	0.901	384	0
Persuasiveness Advertisement	0.937	384	0
Brand Image	0.902	384	0
Credibility	0.959	384	0
Attractiveness	0.95	384	0

The Shapiro-Wilk test, which is used to see if the data are normal, is shown in Table 10. The results of the study show that the test is meaningful and that the data are normally distributed.

**Figure 2**

*Consumer Buying Behaviour*

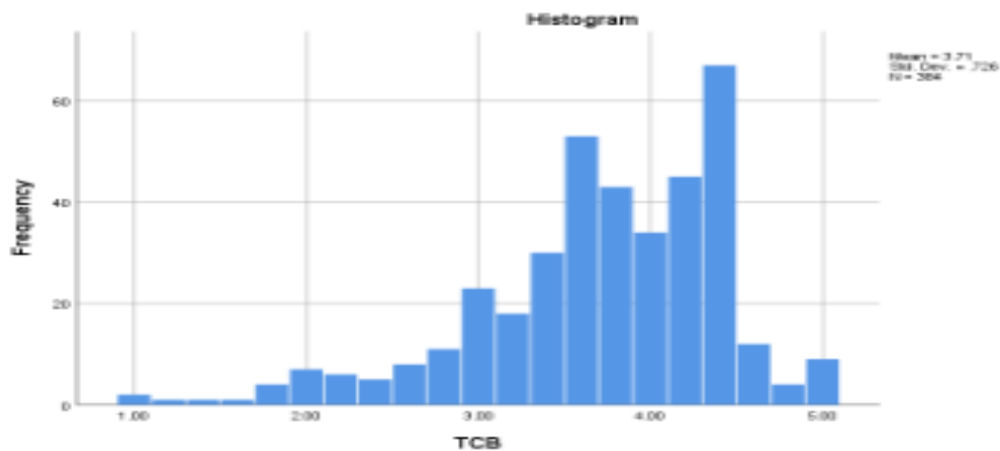


Figure 2 exhibits histogram of Consumer Buying Behaviour. From the histogram, it can be clearly seen that the data are left skewed. It shows that overall data collected from the items of consumer buying is not normally distributed.



**Figure 3**  
*Price Fairness*

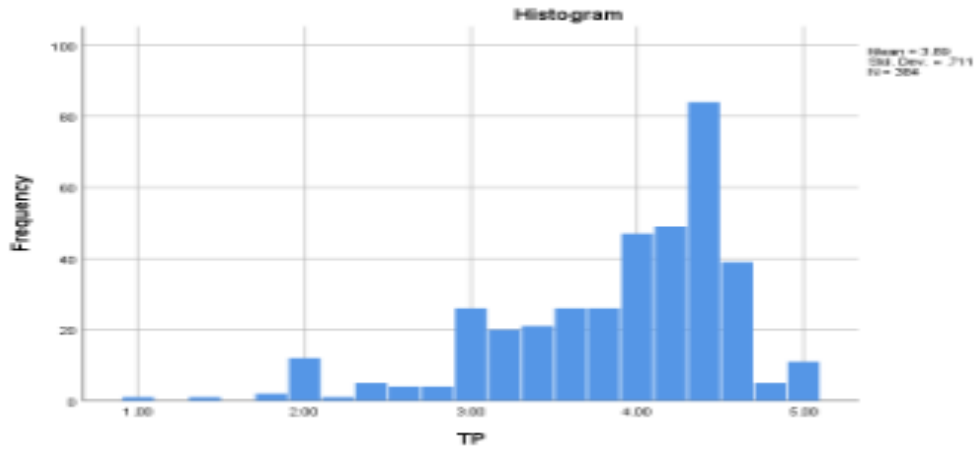


Figure 3 exhibits histogram of Price Fairness. From the histogram, it can be clearly seen that the data are left skewed. It shows that overall data collected from the items of Price fairness is not normally distributed.

**Figure 4**  
*Persuasive Advertisement*

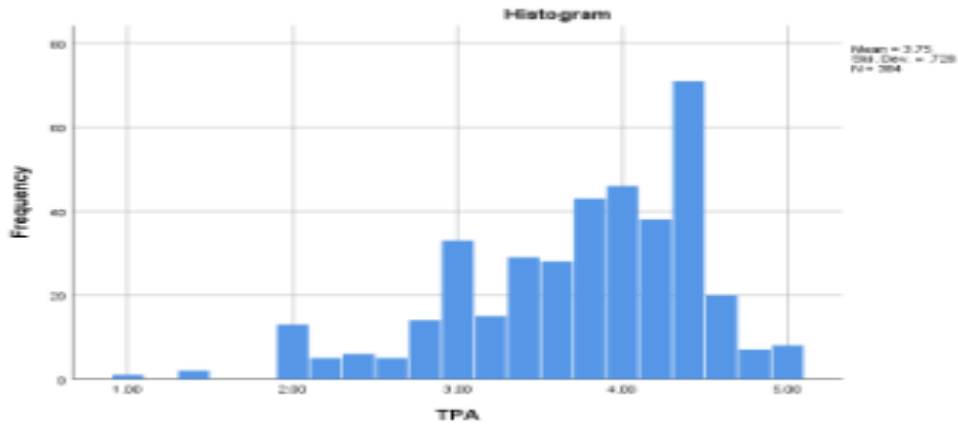


Figure 4 exhibits histogram of Persuasive Advertisement t. From the histogram, it can be clearly seen that the data are left skewed. It shows that overall data collected from the items of Persuasive Advertisement is not normally distributed.

**Figure 5**  
*Brand Image*

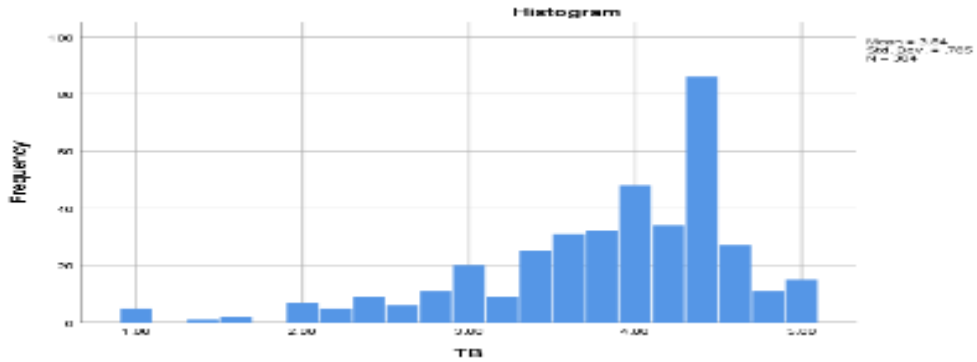


Figure 5 exhibits histogram of Brand Image. From the histogram, it can be clearly seen that the data are left skewed. It shows that overall data collected from the items of Brand Image is not normally distributed.

**Figure 6**  
*Credibility*

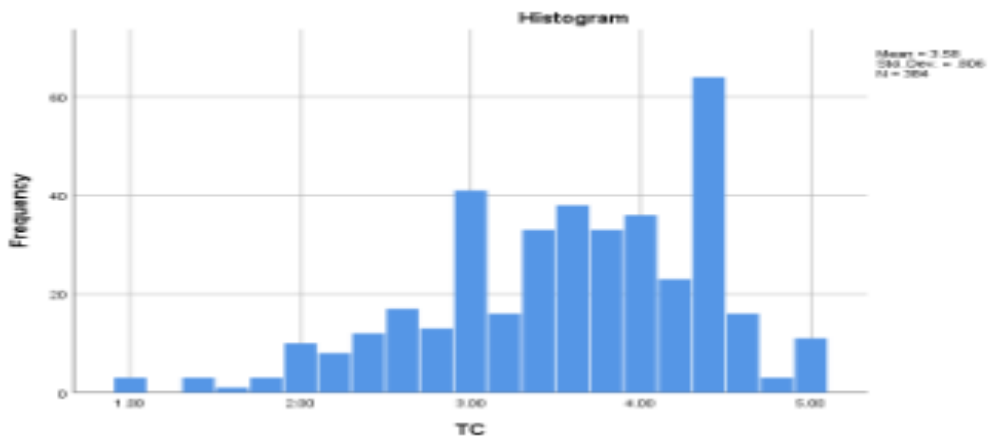


Figure 6 exhibits histogram of Credibility. From the histogram, it can be clearly seen that the data are left skewed. It shows that overall data collected from the items of Credibility is not normally distributed.

**Figure 7**

*Attractiveness*

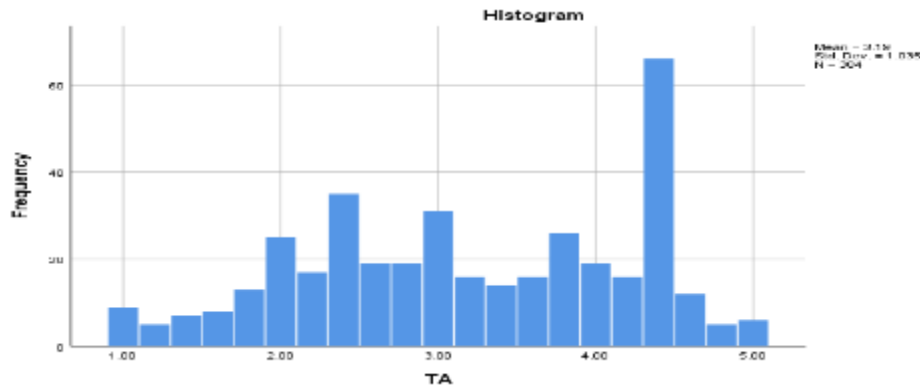


Figure 7 exhibits histogram of Attractiveness. From the histogram, it can be clearly seen that the data are left skewed. It shows that overall data collected from the items of Attractiveness is not normally distributed.

#### **4.4 KMO'S and Bartlett test**

The sample's strength and sufficiency, as well as the correlations between the variables, were assessed using the Kaiser-Mayer-Olkin and Bartlett's Test of Sphericity. KMO is used to determine if variables should be eliminated to address multicollinearity and whether data may be used for factor analysis. Its value spans from 0 to 1, and a value larger than 0.60 denotes that factor analysis may be used since the data is important. Many unnecessary items should be eliminated if the anti-image values are less than 0.60 (Lubem & Dewua, 2020).

**Table 11**

*KMO and Bartlett's Test*

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.877
Bartlett's Test of Sphericity	Approx. Chi-Square	1147.919
	df	15
	Sig.	0

Table 11's KMOS value of 0.877, which is higher than 0.6, suggests that there is enough information in the sample to demonstrate the link between the variables. Moreover, data may be used to do the factor analysis.

**Table 12**

*Variance Inflation Factor (VIF)*

Model	VIF
Price Fairness	1.779
Persuasiveness Advertisement	2.238
Brand Image	1.957
Credibility	2.763
Attractiveness	2.011

Multicollinearity is a statistical term that describes the correlation of numerous independent variables in a model. The table above reveals whether or not VIF has multicollinearity. Multicollinearity is being examined because it has the potential to change the study outcomes. Table 12 demonstrates that there is no multicollinearity between the variables since VIF is less than 3.

#### **4.5 Relationship between Advertisement and Consumer Buying Behavior**

The degree and direction of a link between two variables are determined via correlation, a type of bivariate analysis. A higher correlation value shows a better connection between the two sets of data. When the correlation is 1 or -1, the connection is totally linear and either positive or negative. Contrarily, a correlation of zero shows that there is no connection between the two variables, whilst a positive correlation value denotes a favorable association and a negative correlation value denotes a hostile one. A correlation coefficient is considered significant if its associated p-value is less than or equal to 0.05, which is the industry standard significance level. Otherwise, there would be no association between the factors.

**Table 13***Correlation Analysis*

	TCB	TPA	TP	TB	TC	TA
TCB		1				
TPA	.594**		1			
TP	.528**	.606**		1		
TB	.496**	.610**	.556**		1	
TC	.575**	.645**	.542**	.622**		1
TA	.480**	.546**	.392**	.468**	.697**	1

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

The correlation coefficients between the six variables TCB, TPA, TP, TB, TC, and TA are displayed in the table below. The values in the table show the magnitude and axis of each pair of variables' relationships. For instance, TCB and TPA have a .594 correlation coefficient, which shows a relatively positive association between these two variables. A somewhat positive link is also shown by the correlation coefficient of TP and TC, which is .542. A correlation coefficient of 1 generally denotes the perfect existence of a positive link between two variables, whereas a correlation value of -1 denotes the existence of a perfect negative relationship. There is no association between the variables when the correlation coefficient is 0. The significance levels of the correlations are also shown in the table and are indicated by asterisks.

#### **4.6 Impact of Advertisement on Consumer Buying Behavior**

Regression analysis is a statistical method for determining the connections between variables. The regression findings were calculated using Price Fairness, Persuasiveness, Brand Image, Credibility and Attractiveness as independent factors, Gender and Income level as a moderating variable, and consumer buying behavior as the dependent variable.

**Table 14***Model Summary of Regression Analysis*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.668a	0.446	0.439	0.54398

The findings of a regression study, especially "Model 1," are summarized in this table. With a value of 0.668a, "R"—the measure of the strength and direction of the linear relationship between the variables—indicates a fairly high positive correlation. R Square, which has a value of 0.446, indicates that around 44.6% of the variation in the dependent variable is explained by the independent variable or variables. At a value of 0.439, "Adjusted R Square" accounts for the number of independent variables. The diversity of the data points around the regression line is represented by the "Std. Error of the Estimate," which is 0.54398.

**Table 15***One-Way ANOVA*

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	90.15	5	18.03	60.931	.000b
	Residual	111.854	378	0.296		
	Total	202.004	383			

Dependent variable: Consumer Buying Behavior

Predictors: (Constant), Price Fairness, Persuasiveness, Brand Image, Credibility, Attractiveness

Table 15 displays the one-way ANOVA result, which aids in understanding the outcome. It is regarded as significant since the F value is 60.931 and the P-value is less than 0.5.

**Table 16***Coefficient Table of Dependent and Independent Variable*

	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	t	
(Constant)	0.907	0.172		5.264	0
TP	0.194	0.052	0.19	3.715	0
TPA	0.259	0.057	0.26	4.532	0
TB	0.06	0.05	0.064	1.204	0.229
TC	0.18	0.057	0.2	3.139	0.002
TA	0.066	0.038	0.094	1.732	0.084

By examining the coefficient value and the significance level (p-value), a positive slope is demonstrated, indicating a meaningful if the p-value is less than 0.05, there is a correlation between the independent and dependent variables. Table 16 reveals that the p-values for Brand Image and Attractiveness, two independent variables, are above 0.05, suggesting that they do not have a significant influence on consumer purchasing behavior. Conversely, the p-values for price fairness, persuasiveness, and credibility are below 0.05, indicating a substantial impact on consumer buying behavior.

#### 4.7 Skewness and Kurtosis

**Table 17**

*Skewness and Kurtosis*

	TCB	TP	TPA	TB	TC	TA
Skewness	-0.988	-1.14	-0.853	-1.209	-0.608	-0.201
Std. Error of Skewness	0.125	0.125	0.125	0.125	0.125	0.125
Kurtosis	1.175	1.201	0.486	1.583	0.041	-1.043
Std. Error of Kurtosis	0.248	0.248	0.248	0.248	0.248	0.248

The range of acceptable skewness and kurtosis values for normal data is between -0.5 and +0.5, and -2 and +2, respectively. According to Table 17, the skewness values of all five variables are slightly outside this range. However, the skewness value of one variable, TA, falls within the acceptable range.

#### 4.8 Analysis of moderating effect of Gender

**Table 18**

*Coefficient Table with the Moderating Effect*

Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.196	0.53		4.143	0
Gender	-0.374	0.354	-0.257	-1.058	0.291
TP	0.323	0.135	0.316	2.386	0.018
TPXGender	0.141	0.089	0.453	1.585	0.114

- a. Dependent Variable: TCB
- b. Predictors: (constant), TPXGender, TP, Gender

Upon examining the coefficient and significance level (B=2.196, S.E.=0.53, P=0.000) for the moderating variable, it is evident that the slope is positive, and the significance level is below



the threshold of 0.05, implying a noteworthy moderating influence of gender on consumer buying behavior regarding price fairness.

**Table 19**

*Coefficient Table with the Moderating Effect*

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error			
(Constant)	2.251	0.472		4.768	0
Gender	-0.515	0.324	-0.354	1.588	0.113
TPA	0.343	0.125	0.344	2.741	0.006
TPAXGender	0.168	0.084	0.536	1.994	0.047

Dependent Variable: TCB

Predictors: (constant), TPAXGender, TPA, Gender

Upon examining the coefficient and significance level (B=2.251, S.E.=0.472, P=0.000) for the moderating variable, it is evident that the slope is positive, and the significance level is below the threshold of 0.05, implying a noteworthy moderating influence of gender on consumer buying behavior regarding persuasive advertisement.

**Table 20**

*Coefficient Table with the Moderating Effect*

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error			
(Constant)	1.854	0.482		3.849	0
Gender	0.081	0.324	0.055	0.249	0.803
TB	0.399	0.123	0.432	3.239	0.001
TBXGender	0.037	0.082	0.117	0.445	0.656

Dependent Variable: TCB

Predictors: (constant), TBXGender, TB, Gender

Upon examining the coefficient and significance level (B=1.854, S.E.=0.482, P=0.000) for the moderating variable, it is evident that the slope is positive, and the significance level is below the threshold of 0.05, implying a noteworthy moderating influence of gender on consumer buying behavior regarding brand Image.

**Table 21**

*Coefficient Table with the Moderating Effect*

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.54	0.426		3.612	0
Gender	0.251	0.283	0.172	0.885	0.377
TC	0.562	0.118	0.624	4.744	0
TCXGender	-0.038	0.077	-0.125	-0.501	0.616

Dependent Variable: TCB

Predictors: (constant), TCXGender, TC, Gender

Upon examining the coefficient and significance level (B=1.54, S.E.=0.426, P=0.000) for the moderating variable, it is evident that the slope is positive, and the significance level is below the threshold of 0.05, implying a noteworthy moderating influence of gender on consumer buying behavior regarding credibility.

**Table 22**

*Coefficient Table with the Moderating Effect*

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.218	0.326		6.801	0
Gender	0.315	0.215	0.217	1.463	0.144
TA	0.405	0.1	0.577	4.045	0
TAXGender	-0.054	0.064	-0.183	-0.846	0.398

Dependent Variable: TCB

Predictors: (constant), TAXGender, TA, Gender

Upon examining the coefficient and significance level (B=2.218, S.E.=0.326, P=0.000) for the moderating variable, it is evident that the slope is positive, and the significance level is below the threshold of 0.05, implying a noteworthy moderating influence of gender on consumer buying behavior regarding attractiveness.

#### 4.9 Analysis of moderating effect of Income

**Table 23**

*Coefficient Table with the Moderating Effect*

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.415	0.315		4.486	0
Income Level	0.076	0.098	0.188	0.771	0.441
TP	0.592	0.081	0.579	7.324	0
TPXIncome	-0.02	0.025	-0.198	-0.776	0.438

Dependent Variable: TCB

Predictors: (constant), TPXIncome, TP, Income

Upon examining the coefficient and significance level (B=1.415, S.E.=0.315, P=0.000) for the moderating variable, it is evident that the slope is positive, and the significance level is below the threshold of 0.05, implying a noteworthy moderating influence of income on consumer buying behavior regarding price fairness.

**Table 24**

*Coefficient Table with the Moderating Effect*

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.357	0.281		4.833	0
Income Level	0.043	0.084	0.108	0.513	0.608
TPA	0.645	0.076	0.647	8.49	0
TPAXIncome	-0.017	0.023	-0.169	-0.748	0.455

Dependent Variable: TCB

Predictors: (constant), TPAXIncome, TPA, Income

Upon examining the coefficient and significance level (B=1.357, S.E.=0.281, P=0.000) for the moderating variable, it is evident that the slope is positive, and the significance level is below the threshold of 0.05, implying a noteworthy moderating influence of income on consumer buying behavior regarding persuasive advertisement.

**Table 25**

*Coefficient Table with the Moderating Effect*

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.402	0.278		5.05	0
Income Level	0.195	0.083	0.485	2.356	0.019
TB	0.614	0.073	0.664	8.459	0
TBXIncome	-0.054	0.021	-0.564	-2.549	0.011

Dependent Variable: TCB

Predictors: (constant), TBXIncome, TB, Income

Upon examining the coefficient and significance level (B=1.402, S.E.=0.278, P=0.000) for the moderating variable, it is evident that the slope is positive, and the significance level is below the threshold of 0.05, implying a noteworthy moderating influence of income on consumer buying behavior regarding brand image.

**Table 26**

*Coefficient Table with the Moderating Effect*

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.778	0.245		7.251	0
Income Level	0.023	0.075	0.057	0.304	0.761
TC	0.559	0.07	0.62	8.004	0
TCXIncome	-0.013	0.021	-0.122	-0.596	0.552

Dependent Variable: TCB

Predictors: (constant), TCXIncome, TC, Income

Upon examining the coefficient and significance level (B=1.778, S.E.=0.245, P=0.000) for the moderating variable, it is evident that the slope is positive, and the significance level is below the threshold of 0.05, implying a noteworthy moderating influence of income on consumer buying behavior regarding credibility.

**Table 27**

*Coefficient Table with the Moderating Effect*

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.694	0.193		13.993	0
Income Level	-0.021	0.056	-0.052	-0.379	0.705
TA	0.329	0.062	0.468	5.32	0
TAXIncome	0.003	0.018	0.03	0.185	0.853

Dependent Variable: TCB

Predictors: (constant), TAXIncome, TA, Income

Upon examining the coefficient and significance level (B=2.694, S.E.=0.193, P=0.000) for the moderating variable, it is evident that the slope is positive, and the significance level is below the threshold of 0.05, implying a noteworthy moderating influence of income on consumer buying behavior regarding attractiveness.

#### 4.10 Hypothesis Testing Results

**Table 28**

*Hypothesis testing*

Hypothesis	Statement	P-value	Result
H1	There is a positive relationship between price fairness and consumer buying behavior.	.000	Accepted
H2	There is a positive relationship between persuasiveness and consumer buying behavior.	.000	Accepted
H3	There is a positive relationship between brand Image and consumer buying behavior.	.0229	Accepted
H4	There is a positive relationship between credibility and consumer buying behavior.	.002	Accepted
H5	There is a negative relationship between Attractiveness and consumer buying behavior.	.084	Rejected
H6	Gender moderates the relationship between overall consumer buying behavior and advertisement.	.000	Accepted
H7	Income level moderates the relationship between overall consumer buying behavior and advertisement.	.000	Accepted

The table presents the results of a hypothesis-testing study conducted on the relationship between different factors and consumer buying behavior. The table includes seven hypotheses, each with a corresponding statement, p-value, and result.

The first hypothesis (H1) suggests that there is a positive relationship between price fairness and consumer buying behavior, and the test result (p-value = 0.000) supports this hypothesis. The second hypothesis (H2) proposes a positive relationship between persuasiveness and consumer buying behavior, and the test result (p-value = 0.000) accepts this hypothesis. The third hypothesis (H3) suggests a positive relationship between brand image and consumer buying behavior, and the test result (p-value = 0.0229) accepts this hypothesis. The fourth hypothesis (H4) proposes a positive relationship between credibility and consumer buying

behavior, and the test result (p-value = 0.002) supports this hypothesis. The fifth hypothesis (H5) suggests a negative relationship between attractiveness and consumer buying behavior, but the test result (p-value = 0.084) rejects this hypothesis. The sixth hypothesis (H6) proposes that gender moderates the relationship between overall consumer buying behavior and advertisement, and the test result (p-value = 0.000) supports this hypothesis. The seventh hypothesis (H7) suggests that income level moderates the relationship between overall consumer buying behavior and advertisement, and the test result (p-value = 0.000) supports this hypothesis.

#### **4.11 Major Findings**

Some of the Major findings of the research are as follows:

- 53.4% of the 384 respondents were male and 46.6% were female, indicating that the study was not biased towards a particular gender.
- The majority of the participants (44%) belonged to the Young-Adult age group (26-35 years old), followed by those under 25 years old at 40.9%, and the remaining participants were aged 36 and above.
- Most respondents had a Bachelor's degree (47.4%), followed by those with a Master's degree (34.6%), and a smaller percentage had completed intermediate education, SEE or lower, or M.Phil. and Ph.D. respectively.
- The majority of respondents were employed in private or public jobs (46.87%), followed by self-employed individuals (27.10%), while 23.43% were students, and the remaining 2.60% were retired or unemployed.
- Most respondents had an income below 20,000 (38.5%), followed by that earning between 30,001-50,000, and a smaller percentage had an income of 60,000 or above.
- The mean score of 3.714 for the distribution of consumer buying behavior indicates that, on average, consumers are moderately satisfied with the impact of factors such as price, advertising, and satisfaction on their buying behavior.
- Based on the data, the mean score for price fairness is 3.89, indicating that respondents generally agreed that price fairness is important in facilitating consumer buying behavior.

- The mean score of 3.946 on the persuasive advertisement scale indicates that the respondents tended to agree with the statement. This suggests that persuasive advertisement plays a significant role in influencing consumer buying behavior.
- The mean score for brand image on the scale is 3.842, indicating that respondents generally agreed with the statement. This suggests that having a strong brand image can influence consumer buying behavior.
- Based on the data, the average score for credibility on the scale is 3.782, which indicates that respondents generally agreed that credibility plays a role in consumer buying behavior. This suggests that credibility can positively influence consumer buying behavior.
- The mean score for Attractiveness on the scale is 3.194, indicating a slight inclination towards agreement among the respondents. This suggests that Attractiveness may play a facilitating role in consumer buying behavior.
- The Shapiro-Wilk test results show that all variables, including Consumer Buying Behavior, Price Fairness, Persuasiveness of Advertisement, Brand Image, Credibility, and Attractiveness, have a normal distribution (p-value of 0).
- The correlation coefficient between price fairness and consumer buying behavior is 0.528, indicating a positive correlation at a significant level of 1%. This suggests that price fairness in products or services has a tendency to increase consumer buying behavior.
- There is a strong positive correlation at the one percent level of significance (correlation coefficient of 0.594) between Persuasive Advertisement and consumer buying behavior, indicating that products or services with persuasive advertisements tend to increase consumer buying behavior.
- The correlation coefficient between brand image and consumer buying behavior is 0.496, indicating a statistically significant positive correlation at the one percent level. This suggests that having a strong brand image for products or services tends to increase consumer buying behavior.
- The correlation coefficient between credibility and consumer buying behavior is 0.575, indicating a statistically significant positive correlation. This suggests that credibility in products or services tends to increase consumer buying behavior.



- There is a strong positive correlation (0.480) at a significant level of one percent between attractiveness and consumer buying behavior, indicating that products or services with higher levels of attractiveness tend to increase consumer buying behavior.
- The coefficient value and significance (P-value) of consumer buying behavior followed by price fairness (B=0.528, P=0.00) provide support for the first hypothesis, indicating that there is a positive and significant relationship between consumer buying behavior and price fairness.
- The second hypothesis is supported by the positive and significant coefficient value (B=0.594) and P-value (P=0.00) for consumer buying behavior, followed by persuasive advertisement, indicating that persuasive advertisement has a strong positive impact on consumer buying behavior.
- The third hypothesis is supported as the coefficient value and significance (P-value) of consumer buying behavior followed by brand image (B=0.496, P=0.229) are both positive and significant, indicating a strong relationship between these variables.
- The fourth hypothesis is supported by the positive and significant coefficient value (B=0.575) and P-value (P=0.002) of consumer buying behavior, followed by credibility, indicating that consumer buying behavior is positively influenced by both variables.
- The fifth hypothesis is not supported as the coefficient value and significance (P-value) show that there is a non-significant negative relationship between consumer buying behavior and attractiveness (coefficient value of 0.480 and P-value of 0.084).
- The sixth hypothesis, which suggests that gender moderates the relationship between overall consumer buying behavior and advertisement, is supported and significant (P=0.0000).
- The seventh hypothesis, which states that the relationship between overall consumer buying behavior and advertisement is moderated by income level, is accepted and significant (P=0.0000).

## **CHAPTER V**

### **DISCUSSION, CONCLUSIONS AND IMPLICATIONS**

In this chapter, a concise overview of the entire study is presented along with the key findings. Additionally, a separate section is dedicated to discussing the major conclusions, as well as the implications and recommendations related to the impact of advertising on consumers' purchasing behavior in Nepal, with a focus on persuasiveness, brand image, and celebrity endorsement. The chapter concludes by exploring the potential for future research in the same field.

#### **5.1 Discussion**

An advertisement is a form of communication that is paid for and utilized to influence potential customers in an effective and efficient manner toward a particular product or service, as stated by (Haroon et al., 2011). According to Ryans (1996) its primary purpose is to persuade a specific group of people to try something new, and it is considered a critical component of a marketer's and competitors economic growth.

Since advertising can significantly impact consumer behavior, marketers have an ethical obligation to follow a code of ethics while promoting their products. The purpose of advertising should not be to challenge or harass customers or force them to buy the product, as explained by Ahmed and Ashfaq (2013). To ensure the continued success of a company, it must advertise in a way that appeals to consumers and creates a positive perception of the product, encouraging them to remain loyal to the brand.

Each company' success depends on its capacity to draw in and keep clients while turning a profit, and attaining this goal necessitates fostering a favorable opinion of the good or service among customers. According to Malik et al. (2014), customer perceptions play a crucial role in determining their behavior, and the process of building perceptions begins with marketing stimuli such as pleasant, unpleasant, surprise, and contrast. Brands have become a status symbol across the world, and marketers are leveraging their power to gain a competitive edge over other potential competitors by occupying a significant portion of the consumer's consciousness. Ahuja (2015) notes that consumer trust in a brand can be so strong that it rivals

trust in family and friends, leading to cases where products with similar quality and attributes may be sold at different prices based on the strength of the brand. Brands are composed of both physical and socio-psychological attributes. Consumers can imbue brands with their own unique meaning, and this meaning and personal experience with a brand can lead to a bond or relationship between the customer and the brand. As Turri et al. (2018) point out, consumers may use brand relationships to build and express something about who they are, were, or strive to be.

Consumers always strive to purchase the right product, but their purchasing decisions and choices are often influenced by their perceptions of the available product brands. As Marconi (1994) suggests, brand image plays a critical role in this regard, as consumers' perceptions of the brand are often the primary factor they consider when making purchasing decisions. The brand image not only represents the image that consumers want to have or aspire to, but it also encompasses a set of ideals that they trust.

In addition, the study of brand perception and consumer behavior can be beneficial to entrepreneurs, businesses, corporations, and consumers by providing information about the brand, its usage, and other relevant details, which can simplify sales and capture a substantial portion of the market space. Furthermore, individuals actively involved in marketing and promotional activities, including academicians, students, teachers, and practitioners who wish to work in the advertising field, can benefit from studying consumer behavior, a highly influential advertising factor. Overall, the study of brand perception and consumer behavior is crucial for a wide range of stakeholders and can provide valuable insights into the dynamics of the marketplace.

With a focus on persuasiveness, brand image, and celebrity endorsement, the study tries to determine how advertising affects consumers' purchasing decisions in Nepal. The specific objectives are to analyze the influence of price fairness, persuasiveness, brand image, credibility, and attractiveness on buying behavior, to determine the most significant factors affecting advertising's impact, to examine the relationship between these factors and buying behavior, and to explore consumers' perceptions of price fairness, persuasiveness, brand image, credibility, and attractiveness in advertising.

## **5.2 Conclusion**

In order for a business to achieve its goals, it must invest in promotional activities, especially in today's market where consumers have many options and are in control of their choices. The main goal is to connect with potential customers and change their perceptions, attitudes, and purchasing patterns, which is why they invest significant funds in this area. Consumers are emotionally connected through ads to the brands they are associated with.

Therefore, advertisers strive to create ads that create an emotional connection with the consumer. Advertising is essential to building, creating and sustaining brands. It plays an important role in shaping customers' dreams and desires, helping them make informed decisions about products and brands. Ads must not be designed to challenge or harass customers, or urge them to purchase a product. Any business can be successful in attracting and retaining consumers, which can only be achieved by building a strong consumer perception of the product or service it offers. The study found that several factors have a positive impact on consumer buying behavior, including price fairness (i.e. consumers perceive the price of a product to be fair), persuasion (the degree of persuasion of advertising), brand image (consumers perception of the brand), credibility (degree to which the ad is believable and plausible) and appeal (degree of appeal of the ad).

The study also showed that higher credibility in advertisement and more compelling endorsements from celebrities increase consumer purchase intention. In other words, if consumers perceive the ad as trustworthy and credible, and the celebrity recommending the product is attractive, consumers will be more likely to buy the product. The study also found that brand image, followed by credibility, were the most influential factors explaining changes in consumer purchasing behavior in Nepal. This suggests that consumers' perception of the brand and their perception of the credibility and accuracy of the advertisement are key factors influencing consumer behavior in Nepal.

## **5.3 Implications**

Organizations can improve their advertising strategies in order to increase consumer buying behavior, based on the findings of the study. By focusing on factors like price fairness, persuasiveness, brand image, celebrity endorsements, and overall advertisement effectiveness,

organizations can potentially enhance the positive relationship between these variables and consumer buying behavior.

To encourage people to buy their products, organizations should focus on setting fair prices. This means that customers will feel that they are getting a good deal and are more likely to buy. To keep customers buying, organizations should create advertisements that are persuasive and convincing. This will help customers feel more confident in their purchase decisions. To attract new customers, organizations should work on improving their brand image, so that people will be more likely to buy from them. Using celebrity endorsements that are believable and attractive can also help to encourage people to buy. Finally, organizations should create advertisements that combine several different factors that have been found to influence consumer behavior in order to have the best possible impact on people's buying decisions.

Consumer behavior is an important area of focus for many organizations as it can directly impact sales and revenue. To better understand and influence consumer behavior, organizations often rely on advertising as a tool. One effective way to increase the effectiveness of advertising is through the use of celebrity endorsements. The study shows that celebrity endorsements can have a positive impact on consumer buying behavior. Specifically, using credible celebrities can enhance the positive relationship between celebrity endorsements and consumer behavior. Credible celebrities are those who are perceived as trustworthy and reliable. Consumers are more likely to believe and trust a celebrity endorsement when the celebrity is viewed as credible. Similarly, using attractive celebrities can also positively impact consumer buying behavior. Consumers may be more likely to purchase a product if it is endorsed by an attractive celebrity. Therefore, organizations should focus on using credible and attractive celebrities in their advertising campaigns to maximize the positive impact on consumer behavior.

However, it is important to note that celebrity endorsements are just one aspect of effective advertising. Organizations should aim to create advertisements that incorporate multiple independent variables identified in the study. These variables may include factors such as the message conveyed in the advertisement, the tone and style of the advertisement, and the overall quality of the advertisement. By creating effective advertisements that incorporate these

variables, organizations can enhance the overall positive impact of advertising on consumer buying behavior.

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## Appendix

Dear Respondent,

It is a humble request to spare a few minutes to participate in the survey.

I am Pooja Dhimi, a student of the School of Management, Tribhuvan University conducting a research entitled "Impact of Advertisement on Consumers buying behavior through persuasiveness, brand image and celebrity endorsement in Nepal ” This is a Graduate Research Project (GRP) as partial fulfillment of the requirements for the Masters in Business Administration (MBA) at School of Management, Tribhuvan University. The study’s main objective is to determine the effect of advertisements on consumers buying behavior through persuasiveness, brand image, and celebrity endorsement in Nepal.

I kindly request all the participants to co-operate by filling up the questionnaire honestly as the response will add academic value and assure that data will be used for research purposes only.

### **Section A: Demography of respondents**

Please tick (✓) according to the answers in the boxes that best represents you.

1. Please select your gender.
  - Male
  - Female
2. Please select your age group.
  - Below 25
  - 26-35
  - 36-45
  - 46 & above
3. Education Level
  - SEE & below
  - Intermediate

- Bachelors
- Masters
- M.Phil.
- Ph.D.

4. Income level

- Below 20000
- 20001-30000
- 30001-40000
- 40001- 50000
- 50001-60000
- 60000 & above

5 Occupation

- Student
- Self-employed
- Private/ Government Job holder
- Non-worker(Unemployed/retired)

**Section B: Dependent and independent variable**

Please mark the answers that most apply to you of each of the following statements. The answers are represented by:

1. Strongly Disagree
2. Disagree
3. Neutral
4. Agree
5. Strongly Agree



**1. Consumers' buying behavior (Dependent variable)**

S.N.	Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1.	A reasonable price of a product pursues me to buy the product.					
2.	Credible advertisement persuades me to buy the product.					
3.	Advertisement is a reliable source to collect information about the product.					
4.	Advertisement has a significant impact on buying decision of the consumer					
5.	The consumer feels more satisfied after buying advertised products.					

**Independent variable**

**1. Price fairness**

S.N.	Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1.	A reasonable price makes the product more attractive.					
2.	Discounts and offers in price declared on the ad make it more interesting.					
3.	I consider price an important factor for a product advertised.					
4.	Fair product price brings customers loyalty.					
5.	I look for a cheaper alternative while making buying decisions.					

## 2. Persuasiveness

S.N.	Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1.	Persuasive advertisement helps me to choose among options.					
2.	A persuasive ad creates a new desire to buy the advertised product.					
3.	Persuasive ad helps remember the brand					
4.	Persuasive ad influences the buying decision					
5.	The persuasiveness of the ad depends upon the celebrity endorsed					

## 3. Brand image

S.N.	Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1.	The brand image always creates awareness.					
2.	Advertisement creates a good brand image.					
3.	I feel secure whenever I buy a product with a good brand image.					
4.	Brand image is an important factor in buying decisions.					
5.	I recommend a product to others with a good brand image.					

#### 4. Credibility

S.N.	Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1.	The credibility of ad perceived by consumers through advertisement					
2.	Credibility comes from the endorsed celebrity's trait.					
3.	Credibility in advertisement always influences and creates dominance in the market to buy the product					
4.	The credibility of advertisement is the most important factor to influence buying decision					
5.	Credible advertisement inspires me to be loyal to the brand.					

#### 5. Attractiveness

S.N.	Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1.	Attractive celebrity-endorsed advertisements persuade me to buy products.					
2.	I only buy products with celebrity-endorsed					
3.	I trust the quality of the product which has endorsed attractive celebrity.					
4.	Advertisement with attractive celebrity creates attention toward a brand.					

5.	I am ready to spend more money on an attractive celebrity-endorsed product					
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