

**IMPACT OF CELEBRITY ENDORSEMENT AND HEALTH CONSCIOUSNESS
ON BRAND EQUITY IN THE CARBONATED SOFT DRINK INDUSTRY IN
SRI LANKA**

by

MS. VADIVELU THUSYANTHY

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fulfillment of the requirements for the Degree of Master of Science
in Management on March 2015

Candidate Declaration

The work described in this thesis was carried out by me under the supervision of Dr. (Mrs.) P. G. S. Amila Jayarathne and a report on this has not been submitted in whole or in part to any university or any other institution for another Degree/ Diploma.

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Ms. V. Thusyanthy

Supervisor Declaration

I certify that the above statement made by the candidate is true and that this thesis is suitable for submission to the University for the purpose of evaluation.


.....

Dr. (Mrs.) P. G. S. Amila Jayarathne
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01.06.2015
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Date

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ABBREVIATIONS

A	-	Attractiveness
AVE	-	Average Variance Extracted
BA	-	Brand Awareness
BAS	-	Brand Association
BC	-	Brand Credibility
BE	-	Customer Based Brand Equity
BL	-	Brand Loyalty
CA	-	Cronbach's Alpha
CE	-	Celebrity Endorsement
CR	-	Construct Reliability
DV	-	Dependent Variable
EX/E	-	Expertise
GDP	-	Gross Domestic Production
HA	-	health alertness
HC	-	Health Consciousness
HI	-	Health Involvement
HS	-	Health Self-Consciousness
HSM	-	Health Self-Monitoring
IC	-	Inter-Item Correlation
IV	-	Independent Variable
KMO	-	Kaiser-Meyer-Olkin
PQ	-	Perceived Quality
SD	-	Standard Deviations
SLE	-	Simple Linear Regression
T/TR	-	Trustworthiness
VIF	-	Variance Inflation Factor

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Ms. Vadivelu Thusyanthy

**Impact of Celebrity Endorsement and Health Consciousness on Brand Equity in
the Carbonated Soft Drink Industry in Sri Lanka**

Vadivelu Thusyanthy

ABSTRACT

This study aims to assess the degree of youth educated consumers' perceived evaluation on celebrity endorsement, health consciousness, brand credibility and brand equity, and aims to examine the impact of youth educated consumers' perceived evaluation on celebrity endorsement and their health consciousness on their perceived evaluation on brand equity comprehensively, in the carbonated soft drink industry in Sri Lanka. The mediating role of youth educated consumers' perceived evaluation on brand credibility between their perceived evaluation on celebrity endorsement and their perceived evaluation on brand equity is also to be examined. The celebrity endorsement, health consciousness, brand credibility and customer based brand equity dimensions were adapted from Ohanian (1990) source model, Gould (1990) health consciousness model, Erdem and Swait (2004) brand credibility model and Aaker (1991) customer based brand equity model, respectively. In addition, the impact of celebrity endorsement on customer based brand equity was developed using the associative network memory model theory, the impact of health consciousness on customer based brand equity was constructed using health belief model and brand value concept, whereas the brand signaling theory was applied to examine the mediating role of brand credibility. The conceptual framework was tested using descriptive research design. Data were collected using structured questionnaire from 381 samples of undergraduate students from five

prominent universities in Sri Lanka. The 338 valid responses were analyzed using descriptive and inferential statistics, and hypotheses were tested based on one sample t-test, simple linear regression analysis and Judd and Kenny's (1981) series of regression analysis procedure. The results suggest that the degree of youth educated consumers' perceived evaluation on celebrity endorsement, health consciousness and brand credibility was low level, whereas their perceived evaluation on brand equity was moderate level in the carbonated soft drink industry in Sri Lanka. In addition, youth educated consumers' perceived evaluation on celebrity endorsement has a significant positive impact on their perceived evaluation on brand equity; youth educated consumers' health consciousness has a significant positive impact on their perceived evaluation on brand equity; youth educated consumers' perceived evaluation on celebrity endorsement has a significant positive impact on their perceived evaluation on brand credibility; youth educated consumers' perceived evaluation on brand credibility has a significant positive impact on their perceived evaluation on brand equity; and youth educated consumers' perceived evaluation on brand credibility has a significant mediating impact between their perceived evaluation on celebrity endorsement and their perceived evaluation on brand equity in the carbonated soft drink industry in Sri Lanka. For practical implications marketing managers in the carbonated soft drink industry need to enhance the degree of celebrity endorsement, customer based brand equity and brand credibility, while paying attention on the health consciousness of consumers; selecting an effective celebrity endorser and carefully observing the health concern of the consumers in long-term to impact the customer based brand equity, and strengthening the celebrity endorsement, brand credibility and customer based brand equity. Since the present study is one of the first to empirically examine and confirm the

degree and impact of youth educated consumers' perceived evaluation on celebrity endorsement and health consciousness on their perceived evaluation on brand equity comprehensively in the carbonated soft drink industry in Sri Lanka, it is an original study.

Keywords Brands, Celebrity endorsement, Health consciousness, Sri Lanka, Youth