

# Proliferation of the Role of Celebrity Endorsement on Consumer Buying Behaviour: A Descriptive Study

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**Abstract**—*The practice of celebrity endorsements has proliferated over time. Now days it has become a pervasive element of advertising industry especially in India. Celebrity endorsement business has become a multi-million industry in India. Marketers use celebrity endorsers to influence the purchase decision of consumers in order to increase their sales and extend their market shares. This made the author curious to explore the impact of celebrity endorsements on consumer buying behaviour. This paper focuses on examining the perception of Indian consumers about celebrity endorsements, examining the celebrity attributes likely to influence consumer purchase intentions and finally the impact of celebrity endorsements on their purchase intention.*

*This project begins with the review of existing literature available on celebrity endorsements, which provides an insight into the research topic and clarifies many important aspects related to the subject. A quantitative method is used for this research project to investigate the perception of the consumer, attributes and its subsequent impact on purchase intention. The data is collected through a questionnaire and later analysed using the data analysis software program SPSS.*

*It was proven in this research that consumers find celebrity endorsements more attractive and influential as compared to non-celebrity endorsements. Moreover, the tested attributes show positive relationship with purchase intention. In other terms, celebrity attributes do impact the purchase intention of consumers. Finally, the results of the study prove that celebrity endorsements positively impact the purchase intention of the consumers.*

## 1. OBJECTIVES

To understand consumer perception of the celebrities in advertisements.

To understand the effectiveness of celebrity endorsement.

To identify drawbacks associated with celebrity endorsement.

To arrive at a meaningful conclusion of study

## 2. INTRODUCTION

Everyday consumers are exposed to thousands of voices and images in magazines, newspapers and on billboards, websites, radio and television. Every brand attempts to steal at least a fraction of a person's time to inform him or her of the amazing and different attributes of the product at hand. The challenge of the marketer is to find a hook that will hold the subject's attention. In helping to achieve this, use of celebrity endorsers is a widely used marketing strategy. In this modern age, people tend to ignore all commercials and advertisements

while flipping through the magazines and newspapers or viewing TV. But even then, the glamour of a celebrity seldom goes unnoticed. Thus, celebrity endorsement in advertisement and its impact on the overall brand is of great significance. In this process, the companies hire celebrities from a particular field to feature in its advertisement campaigns. The promotional features and images of the product are matched with the celebrity image, which tends to persuade a consumer to fix up his choice from a variety of brands. Companies invest large sums of money to align their brands and themselves with endorsers. Such endorsers are seen as dynamic with both attractive and likable qualities and companies plan that these qualities are transferred to products via Marcom activities. Furthermore, because of their fame, celebrities serve not only to create and maintain attention but also to achieve high recall rates for marcom messages in today's highly cluttered environments. Similarly every product has an image. The consumer tries to consume a brand which has the maximum fit with his/her own personality/image. The celebrity endorser fits in between these two interactions, where he tries to bring the image of the product closer to the expectation of the consumer, by transferring some of the cultural meanings residing in his image to the product.

In the report, We have focused on the impact of celebrity endorsement on the overall process of brand building and also tried to define: how to make celebrity endorsement a win-win situation for both the brand and the brand-endorser.

Brand is the most valuable asset of any firm. The general belief among advertisers is that brand communication messages delivered by celebrities and famous personalities generate a higher appeal, attention and recall than those executed by non-celebrities. The quick message-reach and impact are all too essential in today's highly competitive environment. A brand should be cautious when employing celebrities to ensure promise, believability and delivery of the intended effect.

Celebrities have also been in demand having succeeded in being effective by rising above the clutter & grabbing the attention and focus of the consumer. They also succeed in

creating an aspiration in the minds of the consumer to acquire what their favourite celebrity endorses.

### 3. RESEARCH DESIGN USED IN THE PAPER

The Descriptive Studies is used in this project due to the fact that the descriptive studies attempt to obtain a complete and accurate description of a situation, that is it covers the all phases required and provides the ways to collect the data from various sources of information (sample design), ensure minimum bias in the collection of data, hold costs to a minimum, and reduces the errors in interpreting the data collected.

### 4. LITERATURE REVIEW

**-Celebrity is an omnipresent feature of society, blazing lasting impressions in the memories of all who cross its path. - Kurzman et.al (2007)**

Indian market is not by a large space, an easy audience to target for the advertisers. The one billion people of the country are speckled in terms of beliefs, ethnicity, states, culture, language, norms and values. Other aspects such as the economic discrepancy in the country separates it in a way which has resulted in a large number of lower and upper middle class, with a very small class falling under in the middle class. This demonstrates a vast disparity in the buying power and decision making clout, one which the advertisers should keep in mind. Indian advertisement has been placing a vital amount of importance on both recall and persuasion as brand differentiating messages. (Dixit, 2005). Very often, various advertising styles are used by advertisers to influence consumer brand choice behaviour and among these different available choices one very popular choice is Celebrity Endorsements. (Alsmadi 2006)

**—Traditional celebrity endorsements are as well established as the concept of celebrity itself. (Anonymous, 2007)**

Celebrities influence on consumers appears to be larger than ever before. (Alperstein 1991) A person who enjoys public recognition from a large share of a certain group of people and uses this recognition on behalf of a consumer good by appearing with it in advertisements is known as a celebrity. (McCracken 1989). They are usually known to the public for their accomplishments in areas other than the product endorsed by them. This stands true for classic forms of celebrities such as actors like Shah Rukh Khan, models like Milan Somen, Sports athletes like Sachin Tendulkar and entertainers like Maliaka Arora Khan but also for less obvious groups such as businessmen like the Ambani's or politicians like Rahul Gandhi. (Schlecht 2003). In India especially, it is not difficult to find motives for the increasing use of celebrities in advertisements as Indians have always been in awe of the

stars of the celluloid world. Indeed, some people are seen to admire, imitate, and become besotted with their favourite celebrities, which forms the crux for the celebrity endorsement being quite a sought after advertisement technique. (McCutcheon et.al 2003)

#### 4.2 Celebrities as a form of Aspirational Reference Group

From a theoretical perspective, celebrities are considered to be effective endorsers as because of the presence of their symbolic desirable reference group alliance. (Soloman and Assael, 1987). Assael (1984) suggests that the effectiveness of the celebrity endorsement is present because of its ability to tap into the consumer's symbolic union with its aspirational reference group. (Menon) Reference groups among consumers are viewed as being a critical source of brand meanings as it helps them to evaluate their belief about the world particularly with others who share the same beliefs or are similar on relevant dimensions. Consumers form associations between reference groups and the brands they use and transfer this meaning from brand to self and one of the most reliable form of reference group is Celebrity Endorsers. (Escalas and Bettman 2005) Celebrities are deemed to be referents by consumers, which refers to imaginary or actual individuals envisioned to have significant bearing on the consumer's evaluations, aspirations and behaviour.

#### 4.3 Celebrity versus Non-celebrity endorsement effectiveness

The prevalent utilization of celebrity endorsement in marketing program is not an accident. Research has found that as compared to the other genre of endorsers such as the company manager, typical consumer and the professional expert, by far the celebrities are the most effective. (Seno & Lukas, 2007). The celebrity endorsers on the other hand had created a persona of their own over time and the company lacked control over them. Differences were found in the cognitive responses, but there was no statistically significant difference in attitudes towards advertising and the intention to purchase the endorsed brand in the celebrity and non-celebrity endorsed situations. (Mehta 1994). On the contrary Atkin and Block 1983 and Petty et. al 1983 found that as compared to the non-celebrity endorsers, the celebrity endorsers produced more positive attitudes towards advertising and greater purchase intentions. McCracken (1989) argued there lays a difference between celebrities and anonymous person as it is assumed by him that celebrities have the capability of delivering meanings of extra depth, power and subtlety and also offers a range of lifestyle and personality which cannot be matched by anonymous people.

### 5. CELEBRITY ENDORSEMENT AS A STRATEGY

Signing up stars for endorsements is a time-tested strategy and has been effectively used by some of the top brands in the

world including Nike and Pepsi. In India too, HLL has used Hindi film stars to endorse their beauty soap Lux since the fifties. Vimal, Thums Up, Gwalior and Dinesh are some of the other brands that used star-appeal in the early days of mass advertising. And who can forget Kapil Palmolive Dev? Marketers believe that star endorsements have several benefits, key among them being building credibility, fostering trust and drawing attention or any or all of which can translate into higher brand sales.

So how does one decide whether to put a celebrity in an ad? Ideally, this should be dictated by the communication idea.

## 6. CELEBRITY ENDORSEMENTS: KEY TO MARKETING SUCCESS

When you tell people that a product/service can help them, they may or may not believe you. After all, you have a vested interest in selling your services.

But when celebrities say that the particular product/service has helped them, and it could help others, people tend to listen and believe. After all, most people assume "he wouldn't say it if it weren't true." As Marketing expert Patrick Bishop co-author of "Money Tree Marketing: Innovative Secrets That Will Double Your Small-Business Profits in 90 Days or Less" — noted: "When you get a celebrity to endorse your company or sign a licensing agreement, you benefit from customers' awareness of the property, which could include the perception of quality, educational value or a certain image." After researching the impact of celebrity endorsements, Melissa St. James, a doctoral fellow and marketing instructor at The George Washington University concluded, "Studies show that using celebrities can increase consumers' awareness of the ad, capture their attention and make ads more memorable". "Research has indicated that customers are more likely to choose goods and services endorsed by celebrities than those without such endorsements," they concluded. Their research shows that one of the advantages to celebrity-based marketing campaigns is that. Famous people hold the viewer's attention. In this era of sound-bytes and channel surfing, there is a demand for people's time and focus. Of course, any marketing material — even with a powerful celebrity endorsement — must be a combination of both education and sales.

## 7. THE SCOPE OF A CELEBRITY ON THE INCUMBENT BRAND

Simply stating, a brand is a differentiated product and helps in identifying your product and making it stand out due to its name, design, style, symbol, color combination, or usually a mix of all these:

Before we can scrutinize the effects of celebrity endorsement on the overall brand, we have to ferret the implicit factors that act as sources of strong brand images or values: -



**Experience of Use:** This encapsulates familiarity and proven reliability.

**User Associations:** Brands acquire images from the type of people who are seen using them. Images of prestige or success are imbibed when brands are associated with glamorous personalities.

**Belief in Efficiency:** Ranking from consumer associations, newspaper editorials, etc

**Brand Appearance:** Design of brand offers clues to quality and affects preferences.

**Manufacturer's Name & Reputation:** A prominent brand name (Sony, Kellogg's,

Bajaj, Tata) transfers positive associations. The celebrity's role is the most explicit and profound in incarnating user associations among the above mentioned points. To comprehend this, let us analyze the multiplier effect formula for a successful brand: -

$S = E * D * AV$  -- the multiplier effect

Where

S is a Successful Brand

E is an Effective Product

D is Distinctive Identity

AV is Added Values

The realm of the celebrity's impact is confined to bestow a distinctive identity and provide AV to the brand; the celebrity does not have the power to improve or debilitate the efficiency and features of the core product. Thus, we are gradually approaching an evident proposition claiming, "The health of a

brand can definitely be improved up to some extent by celebrity endorsement. But one has to remember that endorsing a celebrity is a means to an end and not an end in itself."

An appropriately used celebrity can prove to be a massively powerful tool that magnifies the effects of a campaign. But the aura of cautiousness should always be there. The fact to be emphasised is that celebrities alone do not guarantee success, as consumers nowadays understand advertising, know what advertising is, and how it works. People realize that celebrities are being paid a lot of money for endorsements and this knowledge leads them to think twice about celebrity endorsements. An Indian Perspective Of Successful Celebrity Endorsements for a Brand Of course, probably the first ad to cash in on star power in a strategic, long-term, mission statement kind of way was for Lux soap, a brand which has, perhaps as a result of this, been among the top three in the country for much of its life-time.

The objective was to garner faster brand recognition, association and emotional unity with the target group. Star power in India can be gauged by the successful endorsement done by Sharukh for three brands- Pepsi, Clinic All Clear and Santro.

Confining to India, it would not be presumptuous to state that celebrity endorsements can positively affect the overall brand. We have numerous examples exemplifying this claim. One of the Global Examples are as follows: -

- Nike golf balls, since the company signed Tiger Woods in 1996, have seen a \$ 50 million revenue growth. Nike's golf line grossed more than \$ 250 million in annual sales. Roger Federer also endorses Nike brand.

## 8. CELEBRITY ENDORSEMENT: FACTORS INVOLVED

There are several factors to consider before resorting to celebrity endorsement. There is no single formula to win in the world of marketing. A company must analyze the prospect of endorsement from 360 degrees, prior to product promotion. Price vs. Profit The most important issue is that of return on investment (ROI). Companies need to perform a cost-benefit analysis prior to endorsement. The process of gauging the effectiveness of endorsement on the overall brand is but difficult. The companies expect to bring, in the long run, future sales, revenues and profit from the present investments on celebrity endorsement. The three major parts to a brand being shown are: -

- The Product
- Advertisement
- The celebrity endorsing it

It is important is to study the relationship between these factors and how they together act for or against the brand. The product is important, of course, it may fulfill a need, want or a desire. Quality is

Quint essential and, hence, nowadays it is understood the product is of highest quality. So what next? The advertisement is important as a good product could see an early exit if the advertisement is handled badly, and otherwise, a mediocre product which is tastefully handled goes a long way. Lastly, the celebrity in the advertisement, recall, trust, familiarity are some of the reasons that they are used. Now consider the interactions of these individual factors.

In that case, a shock value makes people remember the brand better and, hence, a possible long term loyalty. Selection Of Celebrity Anyone who is famous may be the right celebrity. However, the appropriateness of the celebrity largely depends on the product or service. Most advertisers insist that their celebrity spokespeople have charisma and current popularity. That is why we see more movie and television stars, athletes, real-life heroes, and musicians acting as brand ambassadors in the Market

## 9. MEASURING A CELEBRITY ENDORSEMENT

It becomes very important to measure the effectiveness of a celebrity (or determine the worth of one). Few of the methods of measurement that are in practice are: -

The Q-SCORE Method

The FRED Principle

The Q-SCORE Method

There is a way to measure the credibility, believability, popularity, and like-ability of a celebrity. It's called a Q-Score, and you can purchase the Q-Scores of the candidates you're considering. Consider both sides of the deal - for a client who wanted to use a celebrity endorser, and for a celebrity who was looking for an endorsement opportunity. Once you've defined the kind of endorser you need (e.g., athlete, actor, male/female, young/old, etc.), its well worth going through the Q-Score exercise.

### The FRED Principle

This concept is seen as the foundation of a successful endorser selection.

F is for Familiarity. The target market must be aware of the person, and perceive him or her as empathetic, credible, sincere and trustworthy.

R is for Relevance. There should be a meaningful link between the advertised brand and the celebrity endorser, and more important, between the celebrity endorser and the

defined target market. The audience must be able to identify with the person. If consumers can immediately associate with an endorser, they will feel more predisposed to accepting, buying and preferring the brand to competition.

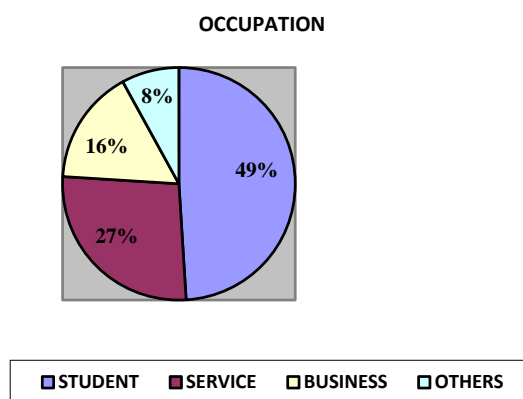
E is for Esteem. Consumers must have the utmost respect and confidence for the celebrity. Amitabh Bachhan & Tendulkar have these.

D is for Differentiation. The target consumers must see the endorser as a cut above the rest. If there is no perceived disparity among celebrities, then the strategy will not work. Michael Jordan

is an example of an international celebrity that rises above the clutter.

## 10. IMPACT ON CONSUMER BUYING BEHAVIOUR

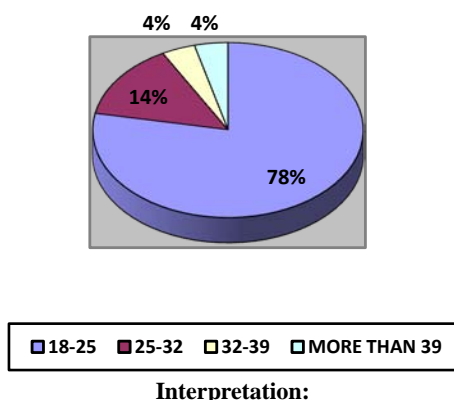
### 1. Occupation



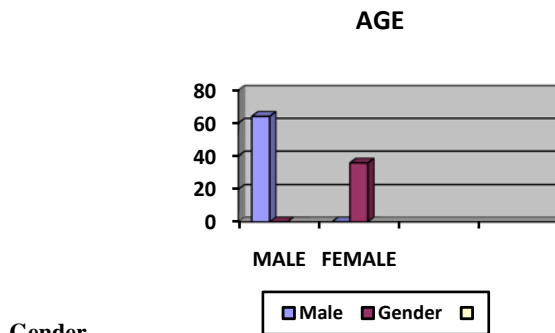
#### Interpretation

From this pie-chart it is clear that majority of the respondents are students and rest of the share is occupied by service and business class.

### 2. Age



This pie-chart depicts that most respondents are young and while rest are above 25 years.



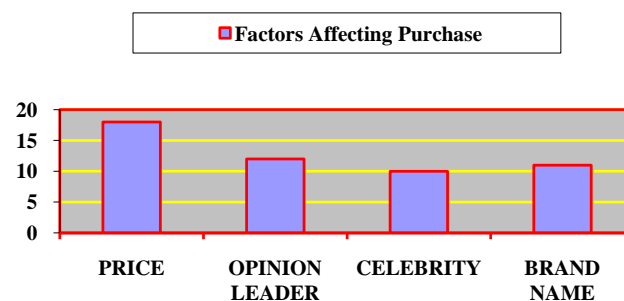
#### Gender

#### Interpretation

This pie-chart depicts that 64% of the respondents are male and 36% are

### Females

### 4. Factors Affecting Purchase

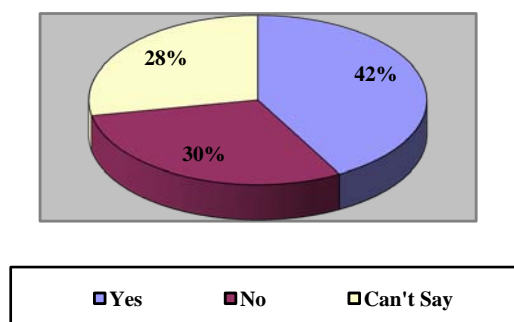


#### Interpretation

The graph depicts that most respondents are influenced by the price of a product and least by celebrity endorsing.

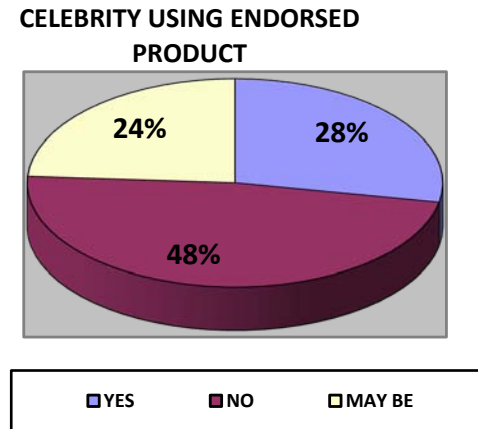
### 5. Male Celebrity More Effective than Female

#### MALE CELEBRITY MORE EFFECTIVE THAN FEMALE



**Interpretations:** The pie-chart depicts that most of the respondents consider a male celebrity endorsing a product is more effective than a female celebrity.

## 6. Celebrity Using Endorsed Product



**Interpretation:** This pie-chart depicts that 48% of the respondents believe that a celebrity endorsing a product never uses it in reality.

## 11. FINDINGS AND CONCLUSIONS

India is a country where people love to live in dreams. They worship celebrities.

Celebrities which might be cricket stars like Sachin Tendulkar, Mahindra Singh Dhoni or Film Stars like Shah Rukh Khan or John Abraham. They treat them as God. Marketers use this very preposition so as to influence their target customers may exist or potential ones.

For this they rope in these celebrities and give them whopping amount of money. They believe that by doing this they can associate their products with their target customers. This is called celebrity endorsement. This could aptly summarize why innumerable products are endorsed by celebrities, with or without a significant need or benefit from the same. Similarly every product has an image. The consumer tries to consume a brand which has the maximum fit with his/her own personality /image. The celebrity endorser fits in between these two interactions, where he tries to bring the image of the product closer to the expectation of the consumer, by transferring some of the cultural meanings residing in his image to the product. Now, despite the potential benefits derived from celebrity endorsements, they increase a marketer's risk manifolds and should be treated with full attention and aptitude. A brand should be cautious when employing celebrities to ensure promise believability and delivery of the intended effect. The growing importance of mythical characters as celebrities and their sway over the target segments are ample proof of public

demand for icons to look up to. As the celebrities traverse from a mere commercial presence to public welfare message endorsements, a whole new dimension is added to this process and helps us in achieving a holistic view of the impact which celebrities generate in every sphere and segment through their well-versed endorsements.

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