



Impact of Celebrity Endorsement on Consumers' Buying Behaviour

Pradeep Agrawal

Research Scholar, Faculty of Management Studies, Banaras Hindu University, Varanasi. 221005

Dr. S. K. Dubey

Associate Professor, Faculty of Management Studies, Banaras Hindu University, Varanasi. 221005

ABSTRACT

The modern world of marketing communication has become colorful and flooded with advertisements, and it is hard to get noticed. It is an uphill task for the designer of an advertising campaign to differentiate itself from others and attract viewers' attention. In this jet 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. This Paper gives an insight of the effect of celebrity endorsement on the buying behaviour of the consumers.

KEYWORDS : Celebrity Endorsement, Advertising, Buying Behaviour, Credibility, Attractiveness.

Introduction

In a market where advertising plays a vital role in coordinating consumer purchases, it becomes pertinent for companies to induct all possible measures to influence, motivate and inculcate desire to purchase, in the customer through an effective advertising campaign. Theory and practice proves that the use of superstars in advertising generates lot of publicity and attention. Companies invest large sums of money to align their brands and themselves with endorsers. Such endorsers are seen as dynamic with both attractive and likeable qualities and companies plan that these qualities are transferred to products via marketing communications activities. Furthermore, because of their fame, celebrities serve not only to create and maintain attention, but also to achieve high recall rates for marketing communication messages in today's highly cluttered environments.

Current Theoretical and Research perspectives

Celebrity endorsement is a type of communication that conveys the idea of the product (from the manufacturer) to the consumer using the image of the endorser. The stronger the endorser the higher is the impact of the product in the minds of the consumers.

Friedman and Friedman (1979) stated that, in the promotion of products high in psychological and/or social risk, use of celebrity endorser would lead to greater believability, a more favourable evaluation of the product and advertisement, and a significantly more positive purchase intention.

Mc Craken's (1989) defined celebrity endorsement as – "any individual who enjoys public recognition and who uses this recognition on behalf of a consumer good by appearing with it in an advertisement.

In the same way Atkin and Block (1983), Petty (1983) and Ohanian (1991), Kamins (1990), O'Mahony & Meenaghan (1998) suggested that the celebrity endorsers entertains more positive attitude and greater intentions for purchases than a non-celebrity endorser. Similarly Packard (1991) believes that celebrity endorsement is more effective in selling product and services as a status symbol for certain section of the society. For eg: Parkers pens endorsed by Amitabh Bachchan are sheer symbol of the class associated with the pen. It signifies the elite and sophisticated side of an individual's personality.

According to Sadhu Ramakrishna, Santhosh Reddy(2005)- To be successful, brands need to convince consumers that they carry a different image and value from other competing products. In other words, brands have to show their true personality to the potential consumer(s) and celebrities are the best way to do this.

Seno & Lukas (2007) found that 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.

Joshi and Ahluwalia (2008) found that the use of celebrity for endorsements create a very favourable impact on the consumer and it creates a connect which forces a consumer to purchase a product.

Edwards and Ferle (2009) revealed that although celebrity endorsement have become an integral part of advertising, there are some potential risks related with celebrity endorsement over which the advertiser does not have any control.

Supriyo Patra and Saroj K. Datta (2010) from their study concluded that selection of right and appropriate celebrity for brand endorsement is a challenging proposition. The advertisers and the agencies should consider various dimensions while celebrity selection.

Jayant Sonwalkar, Manohar Kapse and Anuradha Pathak (2011) concluded that celebrities act as major opinion leaders and plays a vital role in brand recall. They are helpful in initiating a desired state of need among people but do not bring credibility to any advertising message.

Prof. Gurleen Arora (2011) in her study stated that a celebrity can enhance the image of a product in many ways. It is the role of marketer to ensure the appropriate fit between the product and the celebrity. She further stated that Celebrity Endorsements, on one hand give support to the brand but in no way guarantees that the disadvantages associated with the same could be avoided.

OBJECTIVES OF THE STUDY

The purpose of this study was to analyze the customer's perception regarding celebrity endorsement. The paper focuses on under mentioned points:

1. To analyse whether gender of the celebrity endorsing a product affects the consumer buying behavior.
2. To identify how is celebrity endorsed advertisement perceived.
3. To compare the effectiveness of bollywood stars and cricket stars.

RESEARCH METHODOLOGY

Sample design

The primary research was conducted by communicating with the respondents through a self-designed questionnaire.

Sample Size- A sample size of 400 respondents, both male and female in the age group between 18-60 years belonging to different occupation was taken to avoid concentration on any 'one' specific group.

Sampling Type- Non- probabilistic convenient sampling was used to select the respondents.

Data Collection- Primary data was collected through questionnaire from the respondents of Varanasi City.

Demographic Factor	Number of Respondents	Percentage %
Gender		
Male	232	58
Female	168	42
Total	400	100
Age (in years)		
18-25 years	92	23
26-40 years	176	44
41-50 years	80	20
51-60 years	52	13
Total	400	100
Occupation		
Student	168	42
Businessman	116	29
Housewife	72	18
Job / Service	44	11
Others	00	00
Total	400	100

Analytical tools used in analysis

Chi square test was used to analyze the relationship between independent attribute and the level of impact of celebrity endorsement. The test of goodness of fit was conducted by setting up null and alternative Hypothesis. The values of Chi-Square has been computed using the formula $\chi^2 = \sum ((O - E)^2 / E)$

Where:

- O- Observed value
- E- Expected value
- Degree of freedoms=(R-1)(C-1)
- Level of significance

Data Analysis and Interpretation Hypothesis

Ho: Consumer preference for advertisement will not be affected if the product is endorsed by a male celebrity.

Ha: Consumer preference for advertisement will be affected if the product is endorsed by the male celebrity.

The rejection criterion was set:

DoF: 5-1=4

At alpha 0.5 and DoF =4, The critical value from chi square distribution table is 9.49

Preference	Male	Female	Row Total
Strongly	98	16	114
Agree	22	64	86
Neutral	40	44	84
Disagree	32	38	68
Strongly Disagree	28	20	48
Column Total	220	180	400

Table 1

Preference	Male	Female	Total
Strongly	62.70	51.30	114
Agree	47.30	38.70	86
Neutral	46.20	37.80	84
Disagree	37.40	30.60	68
Strongly Disagree	26.40	21.60	48
Total	220	180	400

Table 2

Preference	Male	Female
Strongly	9.937	12.145
Agree	6.766	8.269
Neutral	0.416	0.508
Disagree	0.389	0.895
Strongly Disagree	0.048	0.059
Total	17.556	21.876

Table 3

$\chi^2 = 39.432$

This is a common notion that the female celebrities make the brand or product more visible but the results obtained are quite opposite. Chi square statistics exceeded the critical value of 9.49. Hence null hypothesis was rejected. The results have conveyed a very strong message that the Male celebrity endorsers are more effective than female celebrity endorser. One question was designed to judge the effectiveness of celebrity endorsement as a strong marketing tool. The Hypothesis tested was:

Ho: Celebrity endorsement is not an effective tool of persuasion

Ha: Celebrity endorsement is an effective tool of persuasion

Setting the rejection criteria DoF=5-1=4 At alpha .05 and 4 degrees of freedom, the critical value from the chi square distribution is 9.49.

The result of the test conducted is as under:

	Observed	Expected	O-E	(O-E) ²	(O-E) ² /E
Very Likely	172	80	92	8464	105.80
Likely	60	80	20	400	5
Neutral	62	80	18	324	4.05
Unlikely	74	80	6	36	0.450
Very unlikely	32	80	48	2304	28.8

Table 4

$\chi^2 = 72.05$

As the value of chi square exceeds the critical value, null hypothesis is rejected and alternative hypothesis is accepted. That is, celebrity endorsement is an effective tool of persuasion to induce the customer to purchase the product.

As regards the preference between a Bollywood star and a Sports star, majority of people still prefer Bollywood stars than sports stars. The Hypothesis tested was:

Ho: People do not like to see Bollywood stars more than sports star endorsing their brands.

Ha: People prefer to see Bollywood stars endorsing their brands than sports star.

Step 2: Set the rejection criteria:

DoF=5-1=4

At alpha.05 and 4 degrees of freedom, the critical value from chi square distribution is 9.49

Step 3. Compute the test statistics: $X^2 = \sum (O-E)^2 / E$

Celebrity	Observed	Expected	O-E	(O-E) ²	(O-E) ² /E
Bollywood Star	220	100	120	14400	144
Sports Star	82	100	18	324	3.24
Other Celebrities	34	100	66	4356	43.56
No celebrity	64	100	36	1296	12.96

Table 5

$\chi^2 = 203.76$

As the chi square statistics exceeded the critical value of 9.49, hence null hypothesis is rejected. The myth is not broken and the results conveyed the message that Bollywood stars still have more appeal than sports star.

Findings

1. One very interesting finding extracted from the chi square statistics is that the male endorsers are more popular and effective than their female counterparts.
2. The results of chi square established that the celebrity endorsement is an effective tool to affect positively the consumer's decision towards a product.
3. Bollywood stars are still the rulers of the advertisement domain in India.

Limitations of the study

1. Many of the respondents were very critical about the culture the celebrities are roping in the social system. Hence, were very biased towards using any celebrity in the advertisement at all.
2. It was not possible to collect the opinion of the celebrities who are endorsing brands.
3. The sample size is relatively small from which primary data has been collected. Hence the conclusions drawn are area specific and any generalization will need a cautious approach.

Conclusion

Many businesses believe that an advertisement delivered by a celebrity provides a higher degree of appeal, attention, recall and possibly purchase compared to those without celebrities. Celebrity endorsement decisively gives more visibility to the product endorsed. What-so ever the Ground realities may be, but the masses still try to imbibe a style imitating the celebrities. The Brands, taking into consideration all the related factors, can make best use of either the 'Bollywood stars' or 'Sports star' to endorse their product. Yet not many studies are conducted to test if the celebrity advertisement appeal carries on towards both male and female, or only towards a particular gender. Companies must understand that the fees for celebrity talent can be substantial,

cost of national advertising, especially on television, is extremely high, and the type of spokesperson affects the levels of awareness and recall. Studies with regards to celebrity endorsers, researchers have included the issue of demographics. Nevertheless, many of these studies on celebrity endorser have looked at the issue of gender, but from the perspective of the celebrity themselves and not of the respondents gender specifically. The increase of celebrity endorser based advertising over the recent years begs the question as to the impact on the different respondent gender towards the use of celebrity endorsers.

All the related factors have to be taken care of; otherwise the celebrity endorsement may prove to be a landmine having a devastating impact on the profitability, product's future prospects and brand image.

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