



## IMPACT OF CELEBRITY ENDORSEMENT ON RURAL CONSUMERS: A CASE STUDY OF SHIMOGA DISTRICT

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**ABSTRACT** Companies spend huge amounts of money every year on celebrity endorsement activity based on the belief that celebrities are most effective spokesperson for their products. Majority of Indian consumers follow their favorite celebrities as their role models in their day today routine of their life. They believe that celebrities can influence the buying decision of their target customers as they have special places in the heart of consumer. The study is conducted to find out the impact of celebrity on rural consumers of Shimoga district of Karnataka State. In order to analyze the objective of the study the data was collected using convenience sampling from 150 respondents belonging to the randomly selected areas of Shimoga district. The secondary data was collected through different sources such as books, journals, periodicals, and internet etc. Null hypothesis was framed and analytical techniques are the statistical tools that are used for analyzing the collected data. The frequency tables were used to represent the collected data. One sample t-test was used to test the hypothesis and ANOVA was used to calculate the significance level of impact of celebrity endorsement on rural consumers. The SPSS version 19.0 is also used as statistical software to analyze the collected data. The study clearly shows that celebrity endorsement function will help create awareness of the brands endorsed among rural consumers which in turn boost up the sales of endorsed brands as majority of rural people like to see their favorites celebrities in the advertisements.

**KEYWORDS :** Celebrity Endorsements, Advertisement, Indian Television Commercials, Brand building, Brand recall

### 1. Introduction

Companies spend huge amounts of money every year on celebrity endorsement activity based on the belief that celebrities are most effective spokesperson for their products. Majority of Indian consumers follow their favorite celebrities as their role models in their day today routine of their life. Celebrity endorsement is considered as most common trend that companies use to attract their target customers. They believe that celebrities can influence the buying decision of their target customers as they have special places in the heart of consumer. Thus, the companies have started hiring various celebrities' majority from the field of cinema and sports for commercial advertisements. Furthermore, because of their name and fame, celebrities serve not only to create and maintain attention of the consumers but also to achieve high recall rates for messages in today's highly cluttered environments.

Today companies are ensuring all possible efforts through celebrity endorsement to promote their brands and even to grab the rural customers mind share. The drive is on attracting the rural customer's attention and developing positive associations not just to influence recall but also to induce trial and eventually effect purchase decisions among rural customers. In rural market where advertising plays a vital role in coordinating rural consumer purchases, it becomes pertinent for companies to induct all possible measures to influence, motivate and inculcate desire to purchase among rural customer through an effective advertising campaign. Theory and Practice proves that the use of superstars in advertising generates lot of publicity and attention from the public (Ohanian,1991). Hence, Celebrity endorsement has been established as one of the most preferred tool of advertising.

### 1. Background for the research

The presence of celebrity in an advertisement is likely to influence the buying decision for a product and such advertisement create awareness about the product which can increase the purchase intention and consequently increases the sales. Apart from this celebrity endorsed advertisement create an impact on consumer minds considering such endorsement as a testimonial for the product, re-enforcing the product credibility and leading to better recall at the point of purchase. (Lalitha Balakrishnan and C. Shalini Kumar - 2011).

**2.1 Celebrity:** A celebrity generally differs from the social norm and enjoys a high degree of public awareness. Celebrity means "a famous person". A person who is excelled in his/her field of action or activity. Celebrities are people who enjoy public recognition by a large share of a certain group of people- actor, sports figure, entertainer etc.

**2.2 Celebrity Endorsement:** The term celebrity endorsement can be understood clearly by the following statement: 'any individual who enjoys public recognition and who uses this recognition on behalf of consumer goods by appearing with it in an advertisement and they bring their own culturally related meanings, thereto, irrespective of the required promotional role.'

**2.3 Advertisement:** Today almost every company from different industries uses advertisement as their basic tool to advertise their goods and services, because it's the best way to communicate information to the mass in an effective and efficient manner.

### 2. Research Objectives

- To find-out the impact of celebrity endorsement on rural consumers of Shimoga District.
- To study the perception of rural consumers about the celebrity endorsement.

### 3. Research Hypothesis

- H0: There is no impact of celebrity endorsement on rural consumers of Shimoga district.
- Ha: There is impact of celebrity endorsement on rural consumers of Shimoga district.

### 4. Research Methodology and Design

The research is quantitative and descriptive in nature. Both primary and secondary data sources have been collected. The primary data is collected through structured questionnaire from the 150 respondents selected from different rural areas of Shimoga district. The secondary data is collected from books, journals, periodicals, and internet.

**4.1 Area of the study:** The Study is conducted in the rural areas of Shimoga district.

**4.2 Sampling Method:** The sample method used to select the area for this study is random sampling technique. The sample method that was used to collect primary data from the population was convenience sampling.

**4.3 Sample size:** Sample size for the research is 150 respondents selected from different rural areas of Shimoga district.

**4.4 Plan of Analysis:** Statistical tools are used for analyzing the primary data. The one sample t-test was used to test the hypothesis; ANOVA was used to find out the impact of celebrity endorsement on rural consumers of Shimoga district, for the same SPSS version 19.0

has been employed.

**5. Data Analysis and Interpretation of the Result**

The study was done at different rural area like Machenahalli, Gajanur, Ayanur and Javalli which are surrounding Shimoga city. The total sample size targeted for study was 150 respondents from the selected areas but the proper responses were received from 138 respondents. The data analysis and interpretation has been discussed in the following tables and paragraphs as under.

**a. Demographical Analysis**

Valid		Frequency	Percent	Valid Percent	Cumulative Percent
Age	20-30 Years	78	56.52	56.52	56.52
	30-40 Years	23	16.66	16.66	73.18
	40-50	13	9.42	9.42	82.60
	50 and Above	24	17.40	17.40	100
Total		138	100	100	
Gender	Male	86	62.32	62.32	62.32
	Female	52	37.68	37.68	100
	Total	138	100	100	
Rural Area Selected for the study	Machenahalli	50	36.24	36.24	36.34
	Gajanur	35	25.36	25.36	61.60
	Ayanur	25	18.11	18.11	79.71
	Javalli	28	20.29	20.29	100
	Total	138	100	100	

Source: Field Survey

From the above table, it can be depicted that the distribution of respondents based on Age wise. Out of 138 respondents, maximum respondents (78) fall between the age 20 to 30 years, followed by 24 respondents fall above 50 years, followed by 23 respondents fall between 30 to 40 years and the remaining respondents (13) fall between 40 to 50 years. The distribution of respondents based on Gender wise, 86 respondents are Males. The distribution of respondents based on area wise, for this research we have taken 50 respondents from Machenahalli, 35 respondents from Gajanur, 25 respondents from Ayanur and remaining 28 respondents from Javalli.

**b. Medium for advertisement Analysis**

<b>How frequently do you come across celebrity endorsed ads?</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Repeatedly	120	86.95	86.95	86.95
	Rarely	18	13.05	13.05	100
	Total	138	100	100	
<b>Do you prefer to see celebrities in advertisements?</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	115	83.34	83.34	83.34
	No	10	7.24	7.24	90.58
	Not Particular	13	9.42	9.42	100
	Total	138	100	100	

Source: Field Survey

The above table gives a clear picture of respondents' frequency of coming across the celebrity endorsed advertisements. It expresses that, 86.95% (120) of surveyed population repeatedly watch and remaining 13.05% (18) of them rarely watch the advertisements endorsed by celebrity. It also depicts that dose the rural consumer prefer to see celebrities in advertisement, out of the surveyed population 83.34% (115) of the respondents say 'Yes', and just 7.24% (10) respondents say 'No' and remaining 9.42% (13) respondents say that they are not particular. It is very clear from the above table that, why the products endorsed by celebrity are gaining more importance even in the eyes of rural consumers.

**c. One Sample t-test and ANOVA Analysis**

H0: There is no impact of celebrity endorsement on rural consumers of

Shimoga district.

Ha: There is impact of celebrity endorsement on rural consumers of Shimoga district.

Test Value = 1						
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
<b>Prefer to see celebrities in advertisements</b>	18.815	137	.000	.91	.81	1.00

Source: Field Survey

The null hypothesis indicates that there is no impact of celebrity endorsement on rural consumers, to test this hypothesis one-sample t-test is used, and as per the Table: 3 the significance value is .000 which is significant at 5% level of significance. Hence the null hypothesis is rejected and alternate can be accepted.

**Prefer to see celebrities in advertisements**

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	164.614	7	27.436	524.256	.000
Within Groups	14.130	130	.052		
Total	178.744	137			

ANOVA was used to identify the impact of celebrity endorsement on rural consumers. In this study preference to see celebrities in advertisement is considered as construct on the other hand age group of rural consumers is considered as dependent variable. Study reveals that there is a significant impact of celebrity endorsement on rural consumers. The value of significance level is .000, which is significant at 5% level of significance. Hence, it can be said that there is an impact of celebrity endorsement on rural consumers based on the data collected for the study.

**6. Major Finding**

The following are the major findings of the study which are discussed below:

- Majority of the respondents fall between the age 20 to 30 years.
- Majority of the respondents are males.
- Majority of respondents are from Machenahalli rural area.
- Majority of the respondents watch celebrity endorsed ads more repeatedly.
- Majority of the respondents prefer to see celebrities in advertisements
- Celebrities endorsed ads have a greater impact on select of a brand
- Rural consumers greatly follow the celebrities while celebrity endorsed ads more than models endorsed.
- There is significant impact of celebrity endorsement on rural consumers of Shimoga district.
- The below mentioned points are concluding facts to satisfy the objectives of the study and prove the hypotheses:
- 83.34% of the rural consumers prefer to see celebrities in the advertisements, followed by 7.24% of rural consumers would not prefer to see celebrities in the advertisements and the remaining 9.42% are particular about celebrities' endorsement in advertisements.
- There is an impact of celebrity endorsement on rural consumers as it is being proven in the study by calculating the significance level.

**7. Conclusion**

This research has established the fact that the celebrity endorsed advertisements are more influential among rural consumers. Statistical tools are used to draw the conclusion for the hypotheses framed. The tools used for analysis of the data are frequency distribution, which showed the percentage by which the alternative hypotheses have been accepted, one-sample t-test to test the hypotheses at 5% of significance and ANOVA to analyze the impact of celebrity endorsement on rural consumers of Shimoga District. Hence we can conclude that there is a strong impact of celebrity endorsement on rural consumers. The study clearly shows that celebrity endorsement function will help create awareness of the brands endorsed among rural consumers which in turn boost up the sales of endorsed brands as majority of rural people like to see their favourite celebrities in the advertisements.

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