

A STUDY ON IMPACT OF CELEBRITY ENDORSEMENT ON PURCHASE DECISION AMONG CONSUMERS IN CHENNAI

Dr.V.Hemanth Kumar¹, Dr.K.Sentamilselvan²

¹Management Studies, Sri Sairam Engg. College, (India)

²Management Studies, SRM Valliammai Engg. College, (India)

ABSTRACT

In the current world of marketing across national boundaries, Celebrity endorsement has become very popular element in the advertisement. Market players utilize these opportunity to grab the market and for expand their operation and promotion of their brand and product. More than ten percent of television advertising includes celebrity endorsements. This Study focuses on evaluating the impact of celebrity endorsements on the Purchasing Behavior among Consumers and how this directly or indirectly has an overall impact on the Purchasing Decision. A research methodology has been structured so as to carry out the research in an effective manner. This is achieved by adopting the qualitative research method of in-depth survey through questionnaires with the Chennai consumers who have explained the way celebrity endorsements have been interpreted by them in their daily lives. This study is trying to throw the light of the various factors like “Attractiveness, Trustworthiness, Physical Appearance, Popularity, Image/Goodwill, Reliability, Aspiration, Brand Value” which focus on Impact of Celebrity Endorsements on Consumers Purchase Intentions. The present study collected through a sample of 200 respondents selected randomly, this study has disclosed impressive insights into the topic which examines differences between endorsements with celebrities.

Keywords: Advertisement, Consumers, Celebrity Endorsement, Purchase Decision.

I. INTRODUCTION

Celebrities are involved in endorsing activities since late nineteenth century. The advent of celebrity endorsements in advertising in India began when Hindi film and TV stars as well as sportspersons began encroaching on a territory that was, until then, the exclusive domain of models. One of the first sports endorsements in India was when Farokh Engineer became the first Indian cricketer to model for Bryl cream. The Indian cricket team now earns roughly Rs. 100 crore through endorsements. There was a spurt of advertising, featuring stars like Tabassum (Prestige Pressure Cookers), Jalal Agha (Pan Parag), Kapil Dev (Palmolive Shaving Cream) and Sunil Gavaskar (Dinesh Suitings).

Celebrity endorsement has been established as one of the most proffered tools of advertising. It has become a trend and perceived as a winning formula for product marketing and brand building. It is very easy to have a

12th International Conference on Recent Trends in Engineering, Science and Management

(IETE) Institution of Electronics and Telecommunication Engineers, O.U. Campus, Hyderabad, India ICRTESM-17

19th November 2017, www.conferenceworld.in

ISBN: 978-93-86171-79-5

celebrity for a product or brand but it is very tough to establish a very strong association between the product and the endorser: because the objective is to build a brand not the celebrity.

It is also important to appreciate that just because an individual is famous and considered a celebrity, he/she might not necessarily be an effective endorser. As said earlier, celebrity endorsement is always a two-edged sword and it has a number of positives— if properly matched it can do wonders for the company, and if not it may boomerang. If properly matched it can do wonders for the company, but it also has a number of potential problems like failure of celebrity in his profession, controversy, etc. Today many marketers are enticed by the selling power of the celebrities and they are crazy about signing the popular celebrities to endorse their products and brand and spending big bucks on them. A celebrity is used to impart credibility and aspiration values to a brand, but the celebrity needs to match the product. A good brand campaign idea and an intrinsic link between the celebrity and the message are musts for a successful campaign. Celebrities are no doubt good at generating attention, recall and positive attitudes towards advertising provided that they are supporting a good idea and there is an explicit fit between them and the brand. Brands have been leveraging celebrity appeal for a long time. Across categories, whether in products or services, more and more brands are banking on the mass appeal of celebrities.

Celebrity endorsement if used effectively, makes the brand stand out, galvanizes brand recall and facilitates instant awareness. To achieve this, the marketer needs to be really disciplined in choice of a celebrity. Hence the right use of celebrity can escalate the Unique Selling Proposition of a brand to new heights; but a cursory orientation of a celebrity with a brand may prove to be claustrophobic for the brand. A celebrity is a means to an end, and not an end in himself/ herself.

Everyday consumers are exposed to thousands of voices and images in magazines, newspapers, billboards, websites, radio and television, etc. Every brand attempts to steal at least fraction of a person's time to inform him/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 for endorsement of a brand is 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. Although this sounds pretty simple, but the design of such campaigns and the subsequent success in achieving the desired result calls for an in-depth understanding of the product, the brand objective, choice of a celebrity, associating the celebrity with the brand, and a framework for measuring the effectiveness. Marketers spend enormous amounts of money annually on celebrity endorsement contracts based on the belief that celebrities are effective spokespeople for their products or brands. Celebrity Endorsement is viewed as a money dwelling industry in today's era. Various companies are signing deals with celebrities in the hope that by using celebrities they can accomplish a unique and relevant position in the minds of the consumers. Celebrity endorsement is increasingly being employed

across various industries regardless of the product type. It is known to be playing the role of a signalling strategy.

1.1 Celebrity Endorsement

According to Oxford dictionary, celebrity means "a famous person". A person who is excelled in his/her field of action or activity. If the success rate for that person is very high to "deliver" same results, he becomes a "Celebrity". It may be in field of sports, cinema, theatre, social life, politics or science anything but something with some special results. The use of celebrities in order to increase the sales and/ or the recall value of a brand is known as celebrity endorsement. The late '80s saw the beginning of celebrity endorsements in advertising in India. Hindi film and TV stars as well as sportspersons began encroaching on a territory that was, until then, the exclusive domain of models. There was a spurt of advertising, featuring stars like Tabassum (Prestige pressure cookers), Jalal Agha (Pan Parag), KapilDev (Palmolive Shaving Cream) and Sunil Gavaskar (Dinesh Suitings). 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 lifetime. Endorsements by celebrities have started since a long time. The very fact that their use has continued for so long is proof enough of its immense advantages, but they have several disadvantages too. When it comes to celebrity endorsement, the first brand that comes to the Indian mind is that of Lux, the Beauty Bar of the Stars. Since its inception, Lux brand has grown positioning itself. However, recently Lux has tried to change its positioning from being a woman's soap to being soap for men as well. Sticking to its strategy of using celebrities to appeal to its target audience, this time around it has used Shah Rukh Khan to endorse Lux. But this time the response has been confusing.

1.2 Consumers Buying Steps

The understanding of decision – making process continues to be a significant variable in the study of consumer behaviour. Consumers purchase a product which involves process that goes through several steps. However, depending on the purchase decisions faced by the consumer, each of the process is carried. Therefore, in presenting these steps marketers should realize that, depending on the circumstances surrounding the purchase, the importance of each step may vary.

1.2.1 Problem Recognition

A consumer can be said to experience a problem when he or she perceives a discrepancy between an actual state and a desired state. For example, when someone is thirsty and needs water or car run out of fuel and needs to be refilled. Problem recognition can originate inside the consumer, but can also be influenced by external sources, which includes marketing tools such as advertising and product displays.

1.2.2 Search

After problem recognition has been stimulated, the consumer will usually begin the search process in order to solve the particular problem. The benefit of search is driven by how a consumer perceived the uncertainty in choice environment, the importance given to the product category, and risk aversion.

Internal search involves retrieving stored information, feelings and previous experience from memory.

External search involves acquiring new information about purchase options, their characteristics, and consequences.

1.2.3 Evaluation of alternatives

At this stage, the consumer compares the various brands of products or services that are capable of satisfying or addressing the identified problem or needs. In the simplest case, a consumer remembers what has been bought on earlier occasion and repeat purchase. In other cases, a real comparison between alternatives is involved. This again may be rather simple or rather complex.

1.2.4 Choice in Purchase

The consumer may develop a purchase intention or predisposition to buy a certain brand. Purchase intention is generally based on a matching of purchase motive with brand attribute and consequence of decision. Once consumers choose which brand to buy, he or she must still implement the decision and make the actual purchase. Additional decision may be needed, such as when to buy, where to buy, how much money to spend etc. Often, there is a time delay between the formation of a particularly purchase intention or decision and actual purchase, particularly for highly involved and complex purchases such as automobile, personal computer, a house and consumer durables. For non-durable products, which include many low-involvement items such as fast-moving consumer goods, the time between the decision and the actual purchase may be short.

1.2.5 Outcome/ Post-purchase

Outcomes are usually characterized by the degree of the consumer's satisfaction or dissatisfaction with the item bought. Satisfaction is a person's feelings of pleasure or contentment resulting from comparing a product's performance to expectations. Expectations are influenced by advertising, packaging, the store where the product is sold, the price, and the physical appearance of the product. The performance of the product as perceived by the consumer is, of course, affected by the physical characteristics of the product. It is in the interest of marketers that the expectations created do not exceed how the product can be expected to perform once bought and used. Having satisfied customers is one of the main determinants of business success, because it has a major influence on whether the consumer will buy the product again.

1.3 POST-PURCHASE DISSONANCE

Dissonance as the unpleasant feeling you get when you have just bought something and is not quite right. It might be that it doesn't do what the sales representative said it would or you found out that you paid too much or your friends don't like the colour of the product. This can be expressed in terms of bad feels, ashamed, silly,

dumb, annoyed, furious, hurt, betrayed etc. Hence marketers with the help of celebrity endorsement can alleviate post-purchase.

Dissonance in three easy steps and following

- Selling only good stuff for fair price.
- Being open and honest with our prospects.
- Implementing a good follow up programmes.

1.4 FACTORS INFLUENCING PURCHASE

Consumer behaviour involves much more than understanding what products a consumer buys. It embraces factors, which can affect the decision-making process as a person works through the purchase decision. The number of potential influences on consumer behaviour is limitless. However, marketers are well served to understand the key influences. By doing so, marketers are in a position to tailor their marketing efforts to satisfy the consumer and their organizations. The numerous factors that influence consumer's behaviour can be represented by the elements such as: Internal, External and Marketing.

Internal Influences - The discussion of internal influences explores the most important internal factors that affect how consumers make choices based on Perception and Attitude.

External Influences - The consumer does not make purchase decisions in isolation. A number of external factors have been identified that may influence consumer decision making viz., Culture and Social status.

1.5 MARKETING INFLUENCE ON CONSUMER BEHAVIOUR

Marketing Strategies are often designed to influence consumer decision making and lead to profitable exchanges. Each element of the marketing mix (Product, Price, Place and Promotion) can affect consumers in various ways.

II. NEED AND RATIONALE OF THE STUDY

Celebrity endorsement in India started many decades ago. Everyone started encroaching into the new territory of product endorsement. Now a day's lots of advertisements are endorsed by the celebrities. Even celebrities are endorsing multiband. It has created a great confusion in the mind of the customers regarding the purchase of the product. So there is a need to study the impact of celebrity endorsers on the purchasing behaviour of customers. This study will also help to know whether celebrity endorsers are able to influence the buying behaviour of the customers or not. The study is conducted in Chennai city from people of different age group. This study has examined that how celebrity is effective for endorsing the products and how companies can make their brand much more powerful in their customer's mind through this communication tool. Celebrity advertising has become an integral part of every big brands promotional effort. A right celebrity-brand match ensures strong and long lasting impressions of the product on the minds of consumers. Many celebrities today are approached for endorsements because the consumer is easily able to connect with the product.

III. OBJECTIVE OF THE STUDY

- To know the influence of celebrity endorsement on the consumers purchase decision.
- To identify the factors that motivates and affects the purchase attitude of consumers at Chennai.
- To identify drawbacks associated with celebrity endorsement and suggest respectively.

IV. REVIEW OF LITERATURE

Rennae Daneshvary and R.Keith Schwer (2000) [1], in their article “The association endorsement and consumers intention to purchase” found that how consumers have a connection towards the celebrity endorsement/endorser. If a company want a consumer to associate to an endorsed product it is important to choose an endorser who uses the product and where that use is a reflection of professional expertise. A top model endorsing make- up is good, while a football player endorsing soap powder is less good.

Nelson & Gloria, (2012) [2] focused celebrity endorsement on global perspectives as it is a communication strategy that promote goods and services in the society. Right choice should be taken to select celebrities for endorsing a brand, because celebrity endorsement can positively or negatively affect the image and productivity of an organization. Hence the researcher concluded that celebrity endorsement must be accompanied by power

Khan M. A., (2014)[3], The study was carried out to highlight the increased use of Celebrity Endorsement. The study focus on the attributes of celebrity endorsement that has created a point of difference among other brands to make the consumer choice easier. Celebrity endorsed advertisements effect customer buying behavior to purchase a product rather than non- celebrity advertisements.

A.Pughazhendi (2012)[4] in his article “A study of effectiveness of multiple and single celebrity endorsement in Chennai perceptives, India” conclude The attitudes toward advertisements, attitude toward brand and purchase intentions are more positive for multiple celebrities as which belong to low involvement category while for high involvement product category, attitude toward advertisements, attitude toward brand and purchase intention showed no significant difference for multiple and single celebrity advertisements.

V. RESEARCH METHODOLOGY

Research can be defined as the search for knowledge or any systematic investigation to establish facts. The primary purpose of Descriptive research is to provide an accurate description or picture of the status or characteristics of a situation or phenomenon and hence the same is adopted in this study. The Convenience sampling method is followed in-order to collect the data through the structured questionnaire from the respondents. The sample size so arrived at is 200 respondents forming part of people residing in Chennai.

VI. RESULTS AND DISCUSSIONS

➤ Table No. 1 Chi-Square test

H0: There is no significant relationship between Gender and choice to buy a product which is not endorsed by a celebrity.

H1: There is a significant relationship between Gender and choice to buy a product which is not endorsed by a celebrity.

Choice To Buy A Product Which Is Not Endorsed By A Celebrity	Definitely	Maybe	Doesn't Matter	Row Total
Gender				
Male	37	67	19	123
Female	27	44	06	77
Column Total	64	111	25	200

Level of significance (α) = 5%, Degrees of freedom=(r-1)*(c-1), (2-1) *(3-1) = 2

The Calculated value (χ^2) = 2.6477

And the tabular 95% value of χ^2 (degrees of freedom - 2) = 5.991

(i.e.) 2.6477 < 5.991, Hence H0 is accepted

Inference: There is no significant relationship between type of service in data card and their speed of Service.

➤ **Table No.2 Chi-Square test**

H0: There is no significant relationship between Age and Ads which have Celebrity catch our attention.

H1: There is a significant relationship between Age and Ads which have Celebrity catch our attention.

Ads Which Have Celebrity Catch Our Attention.	Very Well	Well Enough	Not Very Well	Not Catchy	Don't Remember	Row Total
Age						
18 to 25 Years	06	21	14	08	10	59
26 to 35 Years	08	36	37	16	11	108
36 to 45 Years	03	07	06	05	02	23
Above 46 years	0	03	03	02	02	10
Column Total	17	67	60	31	25	200

Level of significance (α) = 5%, Degrees of freedom=(r-1)*(c-1), (4-1) *(5-1) = 12

The, Calculated value (χ^2) = 6.4712

And the tabular 95% value of χ^2 (degrees of freedom - 12) = 21.026

(i.e.) $6.4712 < 21.026$, Hence H_0 is accepted

Inference: There is no significant relationship between Age and Ads which have Celebrity catch our attention.

6.1 FINDINGS

- Most (61.5%) respondents are Male, and (70%) respondents are native Chennai and 53% are in the age group of 26 to 35 years.
- Most (60%) respondents are salaried employee, and 44% respondents has annual income of Rs. 2.5 lac and above.
- Celebrity Endorsements are the greatest factor as opined by 46% of respondents.
- Most (41%) respondents see Celebrity in advertisement twice a day and 25% have seen 3 to 5 times a day.
- Most (45%) respondents brought a Product recently (within a month) which is endorsed by a Celebrity.
- 40% respondents are Do Not Believe, that the Celebrity Using the Product. And 74% respondents rated more than 5 of Buying a Product advertised by Celebrity.
- Majority 58% respondents ready to switch their regular products to new products which endorsed by their favorite Celebrity and 55% respondents says May be they Buy a Product which is not Endorsed by Celebrity.
- Most 48.50% respondents says Definitely Ads having Celebrity are more effective than those which is don't, and majority (70%) respondents says, sometimes they Identify the Product Because of the celebrity associated with it.
- Most 47% respondents say attractiveness of a Celebrity motivates them to buy a product and especially, when they confused about a product, 53% believe Celebrity Endorsement.
- Majority (55%) respondents says the price of the products doesn't matter to them if their favorite celebrity endorses their Product.
- Most 44% respondents advertise through Celebrity is the most effective medium of Promotion, moreover, 48% respondents felt that Women Celebrities are more attractive in advertisements. 55% respondents opined that, Celebrity Endorsements affect respondent selection of alternative brands.
- Most 58.50% respondents responds not affected by the fact that who advertise the Product.

6.2 SUGGESTIONS

- Celebrity Endorsements is the most effective medium of promoting a Product. Hence Celebrity Endorsements is the best medium to penetrate a product.
- Consumers ready to switch to a new product which endorsed by a favorite celebrity. Therefore organizations are encouraged to intensify the use of celebrities to promote their products.
- When Consumers confused about a product, they believe Celebrity Endorsement. Companies should critically assess to see if the use of celebrities is really necessary so as to avoid misallocation of resources.

- Women Celebrities getting more attention among the Consumers and shall opt for promotion and to create an impact in the consumers mind.
- Celebrity Endorsements increases the credibility of the product. Hence organizations should also critically assess the right personality of celebrities for the promotion of their products.

VII. CONCLUSION

The present study was conducted on impact of Celebrity Endorsements among Consumers with a sample population of 200 people with reference to Chennai and various findings regarding Purchasing decision among consumers. The study is conducted in Chennai city; the aim was to analyze the influence of celebrity endorsed advertisements on consumer purchase decision. Through the findings of the study, it is found that celebrity endorsement is a powerful marketing tool which is always a centre of attraction to most of the consumers. Consumers perceive celebrity endorsed advertisement positively as compare to non-celebrity ads. According to the respondents celebrity endorsed advertisement are more reliable than non-celebrity endorsed advertisement due to which they preferred trustworthiness of celebrity to be the influencing factors in their mind.

Therefore through this feature celebrities deliver their image to the target market effectively. Celebrities attribute are the key components on the basis of which they are chosen as an endorser. Consumers always try to choose the product that matches with his/her image that is why majority of the respondent preferred style and attractiveness of the celebrity that influence their purchase decision and increase the effectiveness of the celebrity endorsed advertisement. According to the respondents it is concluded that celebrity endorsed advertisements have the influence very much on their purchase decision.

REFERENCES

- [1] Rennae Daneshvary, R. Keith Schwer, (2000) "The association endorsement and consumers' intention to purchase", Journal of Consumer Marketing, Vol. 17 Issue: 3, pp.203-213,
- [2] Nelson, O., & Gloria, O. T. (2012). The Dysfunctional and Functional Effect of Celebrity Endorsement on Brand Patronage. Online Journal of Communication and Media Technologies .
- [3] Khan, M. A. (2014). Impact of Celebrity Endorsement on Consumer Buying Behaviour. International Journal of Business Management , 2349-3402.
- [4] Pughazhendi, A.,(2012). A study on the influence of using celebrity endorsements on consumer buying behaviour in Tamil Nadu, India. Vol 6(2) Page No 32-43.