



# EFFECTIVENESS OF CELEBRITY ENDORSEMENT AMONG CONSUMERS

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## ABSTRACT

*This paper intends to appraise and understand celebrity advertising and its effectiveness. By deeply examining and addressing the components of celebrity advertising, the advantages and disadvantages associated with it, and the elements of successful and unsuccessful implementations, it will be clear that with a compelling and logical celebrity-brand fit, the application of celebrities as brand advocates can be used to a company's competitive advantage.*

**KEYWORDS:** *Celebrity advertising, Consumer's perception, Effectiveness, Buying behavior.*

## INTRODUCTION

For a long time, celebrity endorsements have been popular in India. It is not a novel marketing concept. Leela Chitnis was the first Indian actress to advertise the Lux soap brand in 1941, but it was in the late 1980s that a number of celebrities began promoting companies, including Tabassum (Prestige Pressure Cooker), Jalal Agha (Pan Parag), and Kapil Dev (Palmolive Shaving Cream). According to Group M's Showbiz marketing report 2017, the market for celebrity endorsers in India has consistently expanded from 665 celebrity engagements in 2007 to 1660 in 2017. In the age of digital disruption, firms are finding it more difficult to catch people's time and attention, and marketers believe that brand ambassadors deliver a higher level of consumer memory, according to the report. This is based on a straightforward reasoning. People in India are awestruck by movie stars, cricketers, and politicians. People idolise them, so when they appear in a commercial advertising a product, it catches everyone's attention. Today, superstars such as Shah Rukh Khan, Amitabh Bachchan, Deepika Padukone, and Virat Kohli endorse products, and the majority of India's populace is familiar with the majority of mainstream celebrities. Any brand's strategy relies on finding a means to connect and engage with its audience, and celebrities serve as the voice of that communication. But it's no longer simply about movie stars. While Hollywood stars appear to continue to receive the most endorsement deals, social media icons and athletes are also vying for a piece of the celebrity endorsement pie. Lux was possibly the first brand to be created in the United States, in 1924, with a celebrity endorsing it. The brand was established in India five years later, with Leela Chitnis as its first brand ambassador. Marketing is the activity, collection of institutions, and procedures for producing, conveying, delivering, and exchanging value-added offerings for consumers, clients, partners, and society as a whole. Marketing is a sociological and management process in which people and organisations exchange products and services to get what they need and want. Marketing focuses on the requirements and desires of consumers. It is concerned with providing goods and services that satisfy consumer. The study and management of exchange relationships is what marketing is all about. Marketing is the process of establishing and maintaining consumer relationships. Marketing is a component of business management and commerce that is used to attract consumers.

## STATEMENT OF THE PROBLEM

Celebrity endorsement for market propagation in India started in the late 1980s, whether it was a film star or a television actor or a famous sports person. This type of propagation not only earned respect in the market but was also giving them a timely opportunity to bind to their fans in a different way. When the celebrities are in their peak, the advertisements they perform reach the public positively, whereas, on the other hand, when any negative remark shall turn the situation vice-versa. Therefore, it is important for the celebrity to maintain credibility and congruence to elevate the perception of the consumers to enhance the sales of the product they endorse in the market. Therefore, the study conducted to understand whether the perception of the consumers is purely based on celebrity



endorsement, hence, a comparison of the demographic characteristics of the consumers with their perception towards celebrity endorsement is a measure.

### **OBJECTIVES OF THE STUDY**

The following are the aims and objectives of embarking on this study:

1. To study the personal profile of the respondents.
2. To examine the impact of celebrity endorsement on consumer behavior.
3. To know the effectiveness of celebrity endorsement in advertisements.
4. To make recommendations on the use of celebrities in the endorsement of products and services.

### **SCOPE OF THE STUDY**

In today's world, the use of celebrity endorsements for MNC's advertisement has become a trend and a perceived winning formula of corporate image building and product marketing. Celebrity endorsement enhances brain recall and creates a very favourite impact on the consumers. MNC's all over the world have always paid big bucks to celebrities as their endorser is involved to have a famous face associated with their products. In a globalised world it is a frequently used approach in marketing for all brand's building exercises. Research studies have proven that the MNC's brand can very quickly establish credibility and can get an immediate identification by the use of celebrity endorsers in the advertisements. An effective way to promote the MNC brand products is only through celebrity endorsements. This study is on the impact of celebrity endorsement on consumer behaviour and sales volume of an organization.

### **RESEARCH METHODOLOGY**

Research methodology refers to a search for knowledge in a scientific and systematic way for pursuant information on a specified topic and coming to a conclusion, either in the form of answers to the situation at hand or a generalization for some theoretical formulation. Once the objective is identified, the next step is to collect the data which is relevant to the problem identified and analyse the collected data in order to find out the hidden reasons for the problem.

There are two types of data namely:

- 1) Primary Data
- 2) Secondary Data

#### **1) PRIMARY DATA**

Primary data is collected by the concerned project researcher with relevance to problem. So, the primary data is original in nature and is collected first hand. For the analysis of the "Effectiveness of Celebrity Endorsement among the Consumers", data were collected from the respondents through the questionnaire

#### **COLLECTION OF PRIMARY DATA**

A structured questionnaire was prepared and presented to the respondents and related questions were asked. Questionnaires mainly contained close-ended questions and a few open-ended questions, to identify the reasons for customer's satisfaction & their dissatisfaction.

#### **SAMPLE TECHNIQUES**

Random sampling method was used in the study for data collection.

#### **SAMPLE SIZE**

The sample size designed for this project is 155.

#### **AREA OF STUDY:**

This study covers Coimbatore city only.

#### **PERIOD OF STUDY:**

This study is conducted from March to June (4 months).



## 2) SECONDARY DATA

Secondary data is a second-hand data that is already collected and recorded by some researchers for their purpose. Under the secondary data, the company’s annual reports, brochures, pamphlets, newspapers, journals and internet were taken into consideration.

## STATISTICAL TOOLS USED FOR ANALYSIS

- RANK ANALYSIS
- CORRELATION
- WEIGHTED AVERAGE METHOD

## LIMITATIONS OF THE STUDY

- Majority of the respondents constitute young generation people thus the results may vary with older generations.
- The respondents view may differ over a period of time with the change in endorser or the ambassador of the particular brand.
- The study does not apply for the consumers who prefer non-celebrity endorsements.
- Since the project has to be completed within a short period of time the information collected could be biased.

## REVIEW OF LITERATURE

**Darsh Nath Segal(2022)** “A Study on impact of Social Media Engagement on Celebrity Credibility” The study measures the impact of social media engagement on Celebrity credibility on the basis of three parameters - Trustworthiness, Attractiveness and Expertise. It takes two popular actors of Indian Cinema and measures the overall response of social media users towards them regarding brand endorsements. The overall result is used to calculate their credibility in the minds of social media users.

**Yong Huang, Xiaoran Ni and Xuanying Yu,(2022)** “Drawing Attention to Attention: Celebrity Endorsements and Stock Mispricing” the study measures the impact of Celebrity endorsements, hiring celebrities as firm ambassadors, on stock mispricing. We find that Celebrity endorsements can result in more severe stock mispricing for focal firms. Such an effect is stronger when endorsers are more popular. In addition, the occurrence of Celebrity scandals generates negative market reactions and subsequently mitigates stock mispricing. Furthermore, Celebrity endorsements boost retail investors’ attention and increase stock liquidity while reducing the informativeness of stock prices. Overall, Celebrity endorsements help attract and maintain investor attention, which not only drive up short-term stock prices but also have long-term adverse financial market consequences.

**Weerasiri, (2018)** study aimed to found out “Existing literature is abuzz with studies highlighting celebrity performance, and most studies often adhere to the fact that celebrity endorsement affects consumers’ buying intentions, including the service sector”

## ANALYSE

### CORRELATION OF RESPONDENTS IN THE EFFECTIVENESS OF CELEBRITY ENDORSEMENT AMONG THE CONSUMERS

	1	2
Age Group	1	
What do you value the most in purchasing the product ?	0.090254	1

## INTERPRETATION

The above table shows the Correlation of respondents in the effectiveness of celebrity endorsement among the consumers because the R-value is Greater than 1 so the alternative hypothesis accepted Null Hypothesis is rejected.



**CORRELATION OF RESPONDENTS IN THE EFFECTIVENESS OF CELEBRITY ENDORSEMENT AMONG THE CONSUMERS**

	1	2
What is your employed status	1	
Do you buy only branded products	0.257878	1

**INTERPRETATION**

The above table shows the Correlation of respondents in the effectiveness of celebrity endorsement among the consumers because the R-value is Greater than 1 so the alternative hypothesis accepted Null Hypothesis is rejected.

**RATE THE PRODUCT ENDORSED BY YOUR FAVORITE CELEBRITY**

Factors	1(5)	2(4)	3(3)	4(2)	5(1)	Total	Rank
Quality	120	15	13	5	2	155	1
	600	60	39	20	2	721	
Price	69	61	20	4	1	155	3
	345	244	60	8	1	658	
Reputation	80	39	31	5	0	155	2
	400	156	93	20	0	669	
Packaging	75	43	29	7	1	155	4
	375	172	87	14	1	649	
Brand	74	46	24	7	4	155	5
	370	184	72	14	4	644	

**INTERPRETATION**

The above table 4.3.1 shows that rank 1 is secured for Quality by respondents, rank 2 is secured for Reputation, rank 3 is secured for Price and rank 4 is secured for packaging, rank 5 is secured by Brand hereby respondents

**LEVEL OF ACCEPTANCE OF ADVERTISEMENT THROUGH CELEBRITY ENDORSEMENT**

Factors	1(5)	2(4)	3(3)	4(2)	5(1)	Total	Mean score
Good quality	108	25	12	3	7	155	4.445
	540	100	36	6	7	689	
Advertisement encourage	61	74	9	5	6	155	4.154
	305	296	27	10	6	644	
Remember a brand/product	95	37	14	2	7	155	4.361
	475	148	42	4	7	676	
Motivate to purchase	76	55	10	8	6	155	4.206
	380	220	30	16	6	652	
Positive image	88	37	14	2	14	155	4.180
	440	148	42	4	14	648	

**INTERPRETATION**

The above table 4.4.2 shows mean score for level of acceptance of advertisement through celebrity endorsement by the celebrity endorsement; 4.445 mean score for good quality, 4.154 mean score for advertisement encourage; 4.361 mean score for remember of a product, 4.206 mean score for motivate to purchase and 4.180 mean score for positive image.



## FINDINGS

### Correlation analysis

The table 4.2.1 shows the Correlation of respondents in the effectiveness of celebrity endorsement among the consumers because the R-value is Greater than 1 so the alternative hypothesis accepted Null Hypothesis is rejected. The table 4.2.2 shows the Correlation of respondents in the effectiveness of celebrity endorsement among the consumers because the R-value is Greater than 1 so the alternative hypothesis accepted Null Hypothesis is rejected.

### Ranking analysis

Majority of the respondents for the product endorsed by your favourite celebrity is Quality ranking I.

### Weighted average method

The above table 4.4.2 shows mean score for level of acceptance of advertisement through celebrity endorsement by the celebrity endorsement; 4.445 mean score for good quality, 4.154 mean score for advertisement encourage; 4.361 mean score for remember of a product, 4.206 mean score for motivate to purchase and 4.180 mean score for positive image and shown that Good Quality has the highest mean score

## SUGGESTION

Respondents voted that the best medium for watching the advertisements is Television and then Internet. Respondents clearly conveyed that they do purchase those products and services, which are endorsed by the celebrities. Celebrity endorsement advertisements boosting up the sales and purchase of product People like to buy the products more if endorsed by the celebrity and it shows that today's customer is aware and influenced by media. Most of the people prefer cosmetic products as influenced by the celebrities. Advertisements through celebrity endorsement are accepted on the basis of good quality of the product. Celebrity endorsement for advertisements depends upon the popularity of the particular celebrity.

## CONCLUSION

This research concluded that the Celebrity endorsed advertisements are more attractive than the non-celebrity endorsed advertisements. It is further concluded that the highest relationship existed between the perception and the buying attribute. The lowest relationship is, between celebrity attractiveness and the perception. There is no significant relationship among all attributes of the celebrity. It is finally concluded that there is no significant relationship between celebrity endorsement and buying attribute. Results show that the celebrity endorsement has reasonable impact on customers as per their attitude and buying intention. Physical attractiveness, credibility and congruence of the celebrity with the reference to endorsed advertisement all have impact on customer perception about the advertised product..

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