

## **A STUDY ON IMPACT OF CELEBRITY ENDORSEMENTS AND OVERALL BRAND WHICH INFLUENCE CONSUMERS' PURCHASE INTENTION - WITH A SPECIAL REFERENCE TO CHENNAI CITY.**

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### **ABSTRACT**

This Article focuses on evaluating the impact of celebrity endorsements on the purchase intention of these viewers and how this directly or indirectly has an overall impact on the brand/product. 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 interviews and through questionnaires with the Chennai consumers who have explained the way celebrity endorsements have been interpreted by them in their daily lives. This paper is trying to throw the light of the various factors focus on Impact of Celebrity Endorsements on Consumers' Purchase Intentions and Overall Brand and the present study collected through a sample of 100 respondents selected randomly, this study has disclosed impressive insights into the topic which examines differences between endorsements with celebrities. The extent to which the media recognizes the risks encountered by celebrity advertising has been discussed. It is quite fascinating to see how viewers relate themselves to these popular celebrities and how this new technique creates desire for the product in the minds of the consumers.

**KEY WORDS:** Celebrity, Endorsements, Consumers, Brand.

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### **Introduction**

The strategy of using celebrities to endorse brands has been steadily increasing over the last few years. In the 1980s, ads primarily featured TV and movie stars, while today, cricketers, Bollywood actors and actresses and TV stars dominate the celebrity endorsement market in India. In a place like Chennai, where Cinema stars and cricketers are idolized, advertisers see this as an opportunity to expand their markets and promote their brands.

A celebrity endorser is an individual who is known to the public for his or her achievement in the areas other than that of the product class endorsed. Celebrities are people who enjoy public recognition by a large number of people and enjoy a high degree of public awareness. Celebrities can be actors, models, sports personalities of entertainers. Beside these, there are fictional celebrities popularly known as the company mascots. A mascot can be an illustration of either a real or an imaginary figure, it represent the brand and adds life of it. It is something between the brand's logo and a celebrity brand endorser. Some of the famous mascots of all time are Asian paints' Amul Girl, Air India's, Maharajah, Onida's Devil, etc.

Endorsement is a channel of brand communication where in the endorser who has already developed goodwill in the market endorses a product and acts as a link between the product and the consumer. It has been seen that popular celebrities are more likely to put a strong

image of the product in the market. Branding and celebrity endorsements are both interlinked to each other since many celebrities today are more recognized by the brands they are associated with like Abishek Bachchan with Idea, Aishwarya Rai with L'Oreal, Vijay with Jos Allukas, Mahinder singh Dhoni with Ashok Leyland, Prabhu with Kalyan Jewellers, Surya with Aircel, etc.

### **REVIEW OF RELATED LITERATURE**

**(Katyay, 2007)**. 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 billion dollar industry in today's era.

**(Kambitsis et al, 2002)**. 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.

**(Temperley & Tangen, 2006)**. Celebrity endorsement is increasingly being employed across various industries regardless of the product type. It is known to be playing the role of signaling strategy. **(Mustafa, 2005)**. Also According to Reynolds **(2000)** celebrity endorsement can give a brand a touch of glamour. Everything said and done, one has to weigh the potential risks vs. the potential rewards as celebrity endorsements are always a high-risk, high-reward situation and there is always a human element that you might not know about. **(Miller 1994)**

**(Alperstein 1991)**. When used effectively celebrity endorsers have the potential of serving a valuable role in enhancing a brand's competitive position and developing brand equity.

**(Horton & Wohl 1956)**. Today celebrity endorsement is being seen more and more as an integral part in an integrated marketing communication strategy. **Hamish and Pringle (2004)** suggest 3 macro factors present in the market today that in principal justifies the validity of celebrity endorsement as a promotional strategy. **Pappas (1999)** examined the value of star power in an endorsement and pointed towards how a well-designed advertising helped celebrities convert their star power into brand equity.

### **STATEMENT OF THE PROBLEM**

Before choosing a celebrity to endorse a product, marketers must endorse a product; marketers must make sure that there exists a "fit" between the celebrity's image and that of the product. In fact, it is a daunting task for advertisers, to search for celebrities who have an idealistic image in the minds of the consumer and are also an "ideal fit" for their products. Based upon many factors and largely on the type of product to be endorsed, advertisers choose the celebrities.

### **NEED FOR THE STUDY**

Celebrity endorsement in India started in the late 1980s. Whether it was a film actor or a television actor or a famous sports star. Everyone started encroaching into the new territory of product endorsement. This was not only a lucrative option for famous personalities to encash their goodwill in the market but was also giving them an opportunity to connect to their fans in an entirely different way. Slowly, the celebrities also began to understand that their success or failure in their respective fields would determine the number of companies approaching them for endorsements as well as their acceptability by the consumer as a reliable product endorser.

## **RATIONALE BEHIND SELECTING CELEBRITY ENDORSEMENTS**

Marketing is not about making the consumer BUY a product, it is all about building trust in the minds of the consumer. Today, “the customer is the king” since he has a wide choice before him and can select from various alternatives available in the market. To survive in this environment of cut-throat competition, it is very important for the advertisers to connect well with the consumers. One of the ways to connect with the consumer is to use a celebrity endorser for marketing one’s products. Consumers are most likely to take immediate notice of the product and also remember it for a longer period of time.

## **RESEARCH QUESTIONS**

- ❖ How does celebrity endorsement impact the perception of Indian consumers?
- ❖ How does it impact their buying behaviour?

## **OBJECTIVES OF THE STUDY**

- ❖ To examine the role of celebrity endorsements as an advertising talent in the Chennai marketplace and the effect it has on the overall brand image
- ❖ To find out how important celebrity endorsement to consumers, does it affect their awareness and responsiveness towards the Brands.
- ❖ To find out the celebrity endorsements market in Chennai and keeps on changing from time to time

## **SCOPE OF THE STUDY**

- ❖ Celebrity advertising has become an integral part of every big brand’s promotional efforts.
- ❖ Celebrities are not only recognized but also appreciated.
- ❖ 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.

## **METHODOLOGY**

The proposed study on Impact of Celebrity Endorsements on Consumers’ Purchase Intentions and Overall Brand. A structured questionnaire is designed and administered to elicit responses hence; the proposed study is both analytical and descriptive in nature. The primary data is collected through the structured questionnaire. The secondary data is collected from published manuals, magazines, journals of repute, published reports, research papers, and related web sites.

## **SAMPLING SIZE**

Out of the total population, 130 samples are drawn from them. One hundred and twenty samples are taken and out of which 100 samples are found to be useful and the rest of the samples are not complete, hence they are not considered for the study and analysis.

## **QUESTIONNAIRE DESIGN**

The primary data are collected through questionnaire. The first part of the questionnaire comprises of demographic factors with optional questions, the second part includes statements relating to their opinion on factors concerning Celebrity endorsements like sports persons, TV actors, TV actress, and Promotion procedures. The third part is related to celebrity-brand, celebrity couples, brand promotional efforts, and their general observations.

**DATA ANALYSIS**

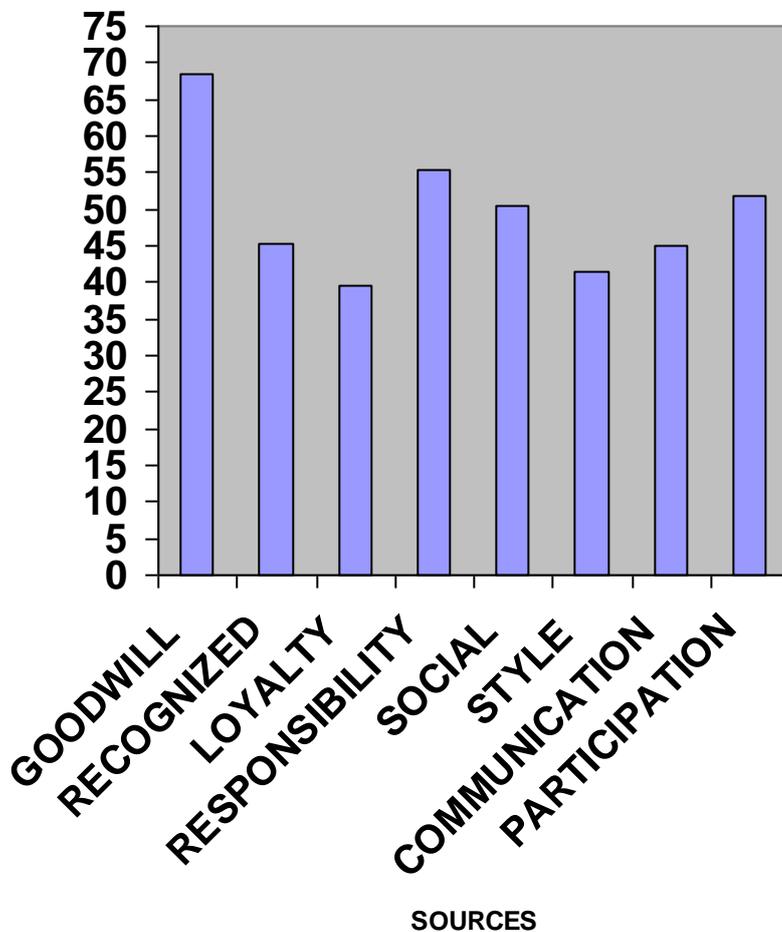
**FRAMEWORK OF ANALYSIS**

The study has been analyzed through tables, percentage, Garrett ranking techniques and factor analysis. There are some important aspects which makes the Celebrity Endorsements on Consumers’ Purchase Intentions and Overall Brand.

**Table 1 Top Brands Endorsed by the Celebrities**

s.no	sources	garrett mean score	rank
1	Goodwill	68.54	i
2	recognised	45.24	v
3	loyalty	39.58	viii
4	responsibility	55.3	ii
5	social	50.32	iv
6	style	41.32	vii
7	communication	45.12	vi
8	participation	51.7	iii

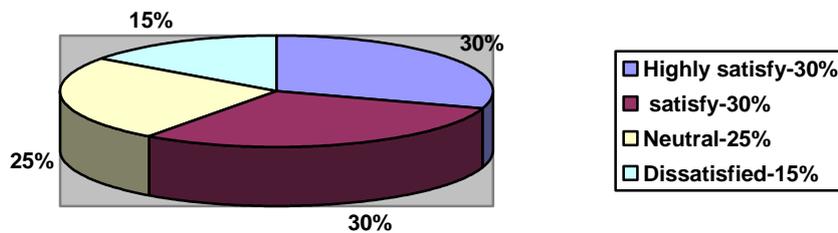
**Top Brands Endorsed by the Celebrities**



SOURCE: PRIMARY DATA

**TABLE 2: Celebrity Endorsements on Consumers’ Purchase Intentions and Overall Brand**

<b>Total respondent</b>	<b>= 100</b>
1) Highly Satisfy	= 30%
2) Satisfy	= 30%
3) Neutral	= 25%
4) Dissatisfied	= 15%



**SOURCE: PRIMARY DATA**

**FACTOR ANALYSIS**

One of the main objectives of the research was to identify the underlying factors which motivate customers to buy apart from celebrity endorsement. This is essential for advertisement messages and medium to focus on features- celebrity only endorses and reinforces preferences. From Table 3 it is seen that apart from celebrity endorsements which help in reinforcing consumer preferences it is basically Quality and Price. It is clear as to what a celebrity has to endorse – the reliable and customer buying influences have to be endorsed , particularly for intangible products where customer tends to completely rely on endorsement by a celebrated personality.

**TABLE 3 – PRODUCT ATTRIBUTES PREFERRED FOR CELEBRITY ENDORSEMENT**

	Responses		Percent of Cases
	N	Percent	N
Price of the product	20	20%	22%
Celebrity Endorsement	25	25%	23%
Quality of the product	20	20%	22%
Value for the money	20	20%	22%
Brand Name	15	15%	18%
	100%	100.0%	107%

Factor Analysis has been carried out to identify the underlying factors motivation celebrity endorsement.

## **FINDINGS AND SUGGESTIONS**

From the survey results and data analysis and interpretation, it is clear that celebrity endorsement definitely impacts Buyer behavior. As a promotional technique it is found to be quite useful.

### **FINDINGS**

- ❖ 30% of respondents indicate that however it needs to be qualified with respect to company benefits of promotion and overall strategy and budgets.
- ❖ 20% of respondents have to be a proper congruence between the celebrity personality and the product profile!
- ❖ 45% of respondent indicate that a right celebrity brand match ensures strong and long lasting impression of the product on the minds of consumers.
- ❖ 10% of respondent indicates that we need to remember- as the name suggests- that role of the celebrities is simply limited to endorsement of the product' this method of promotion is very relevant and useful for intangible products like insurance products where a celebrity endorsement is worth its weight in gold.
- ❖ 25% of respondent indicates that the market for couple celebrities is soaring day by day as it is easier for marketers to make a customer relate to the product by using popular celebrity couples for endorsing their products.
- ❖ 25% of respondent indicates that the ad must be designed to suggest the similarity between the celebrity and the product so the consumer will be able to identify the products so easier.
- ❖ 5% of respondents feel that prospects have nothing else to depend upon. They will lap up celebrity endorsement like a drowning man catching a straw. But beware – the credibility of the personality endorsing the services has to be fool proof.
- ❖ 5% of respondent indicates that an endorser's brand value may soar or decline according to his current demand in the market and also on the basis of certain other factors.

### **SUGGESTION**

Celebrity endorsement is truly a multifaceted and debatable research topic. After mulling over the analysis it is evident that all the participants were very much aware of the fashion of celebrity endorsing products.

- ❖ The attractiveness of a celebrity also plays an important role in getting him/her a select category of products for the purpose of endorsements.
- ❖ The source attractiveness model also rests on social psychological research. The message depends on the familiarity, likeability, similarity of the source.
- ❖ Familiarity is defined as knowledge of the source through exposure, likeability as affection for the source as a result of the sources physical appearance and behavior and similarity as a supposed resemblance between the source and the receiver of the message.
- ❖ There appeared to be a clear demarcation between consumers, one being the 'celebrity enthusiast' and the product enthusiast'
- ❖ It was observed that even though celebrity endorsement as a marketing communication activity is viewed in a positive light since the consumers used terms like 'glamorous' and 'eye catching'to define it, the general view relating to opting for celebrityendorsed product as a personal choice was pessimistic.

- ❖ During the interviews, respondents from the 'middle and the lower class' people were the ones for whom celebrity endorsement was of value in terms of their purchase decision.
- ❖ The consumers follow the trends set by them both in terms of external beauty and valuable characteristics. But this phenomenon is deemed to be short lived in the consumer's lives.

## **CONCLUSION**

Branding and Celebrity endorsements are both interlinked to each other since many celebrities today are more recognized by the brands they are associated with like Surya with Aircel, Vijay with Jos Alukkas, Prabhu with Kalyan Jewelers, Suhasini CMR shopping mall, Vikram Manapura Gold Loan, etc. Consumers have clearly indicated that the role of celebrity endorsement is to reinforce their choice of products or service based on Quality, Price and utility and a mere endorsement will not attract them towards a product. So, a product which meets customer expectations in terms of its performance parameters can only be reinforced by celebrity endorsement and promotion!

## **LIMITATIONS, MANAGERIAL IMPLICATIONS AND FUTURE RESEARCH**

### **LIMITATIONS OF THE STUDY**

No research is complete without admitting the limitations that was faced while conducting a study which will contribute to present learning.

- ❖ The study is conducted in Chennai city so the perception may change in the rural place or in any other city of India or any other part of the world.
- ❖ Primary limitation is related to the generalization of the research results.

### **MANAGERIAL IMPLICATIONS**

- ❖ The research has identified that the consumers are tolerant towards multiple celebrity endorsement with the stipulation that there should exist a common link between the product and the celebrity.
- ❖ Thus the managers should take immense pain and care to ensure that the celebrity chosen to endorse the product is 'right' in terms of age, personality and the all the other symbolic properties associated with the celebrity.
- ❖ A very popular and good looking celebrity is not enough; the endorsement should be backed by an appropriate linkage. Also marketers should refrain from choosing celebrities who are already endorsing a complimentary product within the same product category.

### **FUTURE RESEARCH**

As suggestions for future research, replication and expansion of the same study should be made by doing a comparative analysis study of the consumer perceptions towards celebrity. This would serve to bring clarity to this research conducted by the author. Furthermore as this study has focused its research only on consumers within the age bracket 21-26 years, future research can be undertaken targeting different age groups in India which would probably bring to light different perceptions regarding the topic in hand.

The research undertaken on celebrity endorsement in this paper will be useful on both academic and professional platform, as it looks into the perception of Indian consumers on celebrity endorsement, providing theory for scholarly and directives for managers and professionals

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