



Effectiveness of Celebrity Endorsement among young Consumers in Pune City

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Abstract

This paper provides an analysis of the persuasive role of celebrity endorsement in youth consumer market. the researcher argues that celebrities have a persuasive effect over the choices of teenage consumers and that this persuasion is largely due to their perceived wealth, fame, and expertise. The data for this research is collected from 224 respondents through survey methodology, who aged 18-30 years and were living in Pune City. The descriptive and inferential statistics are used for analysing the data. The results of this study suggest that there is to be a significant relationship between the perceived persuasive role of celebrities and their endorsement values. The study also reveals that endorsements are more effective when the endorsees are of the same gender as the celebrity endorser.

Keywords: Celebrity, Persuasion, Brand Image, Youth Consumer Market



1. Introduction

Booms in the use of information and communication technologies have led to an increase in consumer's access to information and media. The sharing of consumer's opinions by online as well as via mobile devices has heightened the need for quick and effective communication which is possible only through interactions with celebrities. This has immensely increased the role played by celebrities in consumer markets, especially in youth marketing (Golan, 2004).

In recent years we are seeing a lot of celebrities appearing on clothing brands, both in ads and endorsement deals. Most of the celebrities who are endorsing brands are becoming an important part of marketing efforts in India which raises a lot many questions like is there any correlation between celebrity endorsement and influence in market? Is it true that endorsement is equal to building brand image? And what is the level of effect that celebrity endorsements have on the preferences and perceptions of consumers.

The quest for celebrities to make their mark in the youth market has been going on for some time now, as every year we get to see more brands trying to associate themselves with a celebrity. This is quite evident from the fact that there are variety of celebrities endorsing brands for example in 2011, according to a Forbes report, India was the second largest market for celebrity endorsements after the United States.

After conducting this research paper, it can be said that consumers observe advertisements in a very different manner and consider it as an opportunity to gain information in order to make informed decisions. The present study has focused on analyzing the role of celebrities while being engaged by brands to endorse their products and services. It has been observed that the celebrity endorsers play a major role between the brand and the consumers.

This study focuses on factors which influence the decision making of youth consumers while choosing brands endorsed by celebrities. There is a very strong belief among young consumers that celebrities have a persuasive effect over their choices and this persuasion is largely due to their perceived wealth, fame and expertise.

Studying how consumers view celebrities as sources of information for brand evaluation has become a therapeutic challenge for marketers when addressing to young customers. In order for marketers to be successful in targeting this valuable customer segment a great deal of

understanding is required from the social and psychological perspective, so that they could effectively make use of opportunities and overcome their challenges.

The main objective of this study is to investigate whether there is a significant correlation between celebrity endorsement and brand image among young consumers. The researcher also aims to find out if there is any difference in the perception of consumers about brands endorsed by celebrities across income groups.

2. Review of Literature

The term celebrity endorsement can be defined as the process of strategically associating a product, service or a concept with a well-known individual (Muniz, J. & O'Guinn, T.C., 1992). Celebrities include any person who is widely known from the mass media and entertainment settings such as actors, actresses, musicians and sports personalities. For example Amitabh Bachchan has been found to be one of the most effective celebrity endorser in recent study done by UNILAD (2016).

There have been several studies which have shown that celebrity endorsement can also be achieved by a more experienced person than the celebrity. It is also observed that celebrities are effective endorsers because they are associated with positive attributes such as youthfulness, profitability, quality, reliability and exclusivity. These persuasive effects may be much more powerful when they are attached to a product during its early stages of distribution.

Celebrities provide a unique opportunity to build brand awareness and increase sales. Marketers invest heavily in celebrities to help them increase awareness and sales. There is evidence that celebrity endorsements may help increase overall awareness of a brand and its key attributes, but they do not necessarily help consumers evaluate or use the product or service.

It has been observed that there are several types of endorsers who can be used to endorse a brand. They are as follows:

- a. Celebrity endorsers (Actors, Sports persons)
- b. Expert endorsers (famous scientists, professional athletes etc.)

c. Social referents (family members, friends etc.

d. Personal reference (parents, spouse etc.

e. Powerful spokesperson (CEOs, religious leaders etc.)

f. Experts (academicians, doctors etc.)

g. Expert endorsements are the most effective form of celebrity endorsements because they are associated with positive attributes such as youthfulness, profitability, quality, reliability and exclusivity. It is also observed that there is a genuine connection between celebrities and their fans; therefore to engage a celebrity as an endorser for a brand is a very effective strategy for brands targeting this valuable customer segment.

Mian (2016) has found that there is a significant positive relationship between celebrity endorsement and brand image. The study was carried out on the students of a university, and the respondents were asked to select their favorite celebrity among those who are working in films or professional sports. The results revealed that there is significant positive relationship between brand image and celebrity endorsement.

Nayar (2011) has found out that there is a general positive relationship between celebrities as endorsers and branding. He has also found out that celebrities help brands achieve high levels of brand loyalty, more than any other forms of brand promotion.

Amitabh Bachchan has been found to be one of the most effective celebrity endorser by a recent report published by UNILAD (2016).

There are several reports which have shown that there is no significant relationship between celebrity endorsement and brand image. This is largely because consumers always have different views for brands, and also the concept of brand image does not exist in people's minds. Brand perception refers to how people are likely to view a company or product when they perceive it in relation with other brands.

On the other hand, Oberhofer (2013) suggests that the level of importance accorded to celebrity endorsements is dependent upon culture. For example in China, celebrities are considered as experts in their field and are respected for their skills and knowledge of their

subject matter. From this perspective, consumers in different cultures may view celebrities differently.

The concept of brand image is an important factor for the marketers to consider in their advertising campaigns. Brand image development is vital for a company to increase sales and its prominence. However, there are some factors which can affect a company's brand image. Oberhofer (2013) has found that the effectiveness of celebrity endorsement depends upon its type, popularity and celebrity's personality. In addition, the connections between celebrities and the brands they endorse also affect the relationship between them.

The concept of brand image is closely related to the product type. For example, in the case of perfume, the brand image has been found to be very effective because consumers can easily relate it with other perfumes and relate it with some positive attributes like youthfulness, profitability and exclusivity. From this point of view, there is a positive relationship between celebrity endorsement and brand image. This is because consumers would perceive a perfume brand as more relevant, credible and high-quality because a celebrity endorsed it.

On the other hand, the relationship between celebrities and their fans is often perceived to be very strong. This is one of the main reasons for why people want to associate themselves with celebrities because of their admiration for them. In addition, this kind of relationship may or may not affect the image of the brand that they endorse. Furthermore, the credibility of the celebrity may also affect the effectiveness of celebrity endorsement.

Kothari (2013) has stated that a brand's spokesperson is one of its most important assets because people want to associate themselves with brands and their celebrities. A brand's spokesperson can help increase the popularity and awareness of a brand. Although they may or may not match a brand's image, they are perceived as positive attributes like youthfulness, profitability and exclusivity. Therefore, a brand's spokesperson is very important in terms of brand image.

Celebrity endorsement has been found to be the most effective form of celebrity endorsement. This is because experts are suitable for celebrities to endorse a brand because they have been involved in their own careers and are associated with positive attributes like youthfulness, profitability and exclusivity. Celebrity endorsements also have great benefits,

because they increase the overall awareness of a product or service as well as its key attributes. Furthermore, celebrity endorsements help increase sales as well as brand loyalty. In addition, celebrity endorsements are also found to be the most cost-effective form of endorsement.

At present, the popularity of celebrity endorsement is growing at a very fast pace because people are using different social sites like Facebook and Twitter to communicate with celebrities and also for them to promote their brands. This form of interaction between consumers and celebrities is providing valuable information about the effectiveness of various types of celebrity endorsements.

Shikhar (2018) has studied the relationship between celebrity endorsement and brand image. The study was conducted on a sample of 310 individuals, and the surveyed was divided into three age groups – 18–22 years, 23–60 years and 61+. The study finds that there is a negative relationship between celebrity endorsement and brand image. Moreover, a decline in celebrity endorsement may affect the overall brand image.

3. Objectives of the research

1. To analyse the persuasive role of celebrity endorsement in youth consumer market
2. To study the factors that influence consumer preference for brands endorsed by celebrities
3. To study consumer perception about celebrity endorsement and it's relationship with their product preferences.

4. Hypotheses

There is a positive and significant relationship between the endorsement values and the level of perceived persuasive role of celebrities in youth consumer market.

Celebrity endorsements are more effective when the celebrities are of the same gender as the consumers.

5. Research Method

1. Sampling Method

224 respondents were considered for the purpose of the study. The study deals with the younger population, thus, only the individuals who belonged to the age group of 18-30 years were considered. Convenience and snowball sampling were used as sampling methods.

2. Tools used for data Collection

Closed ended questionnaires were used to gather the data on the dependent and independent variables used in the study.

3. Dependent and Independent variables

The independent variables for the study were endorsement values of the celebrity and level of association with the products and services. The dependent variables were the level of perceived persuasive role.

4. Data collection and analysis

Data was gathered using Google Forms and later analysed using SPSS and Microsoft Excel.

6. Results

		Endorsement Values	Level of perceived persuasive role
Endorsement Values	Pearson Correlation	1	.667**
	Sig. (2-tailed)		.000
	N	224	224
Level of perceived persuasive role	Pearson Correlation	.667**	1
	Sig. (2-tailed)	.000	
	N	224	224

** . Correlation is significant at the 0.01 level (2-tailed).

Simple Correlation analysis was used to analyse the relationship between the endorsement values and the level of perceived persuasive role of celebrities in youth consumer market. The above table shows that the correlation is significant at the 0.01 level. Thus, we can reject

the null hypothesis and accept that there is a positive correlation between the endorsement values and the level of perceived persuasive role of celebrities in youth consumer market. For the second hypothesis, a crosstabulation was used along with a chi square test to check whether the results were due to mere chance. The following were the results.

			Gender of the respondents		Total
			Male	Female	
Preferred Gender of the celebrity	Male	Count	89	28	117
		% within Gender of the respondents	82.4%	24.8%	52.9%
	Female	Count	19	85	104
		% within Gender of the respondents	17.6%	75.2%	47.1%
Total		Count	108	113	221
		% within Gender of the respondents	100.0%	100.0%	100.0%

The above table shows that 82.4% of the males preferred male celebrity endorsers and 75.2% of the females preferred female endorsers.

	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	73.613 ^a	1	.000		
Continuity Correction ^b	71.318	1	.000		
Likelihood Ratio	78.596	1	.000		
Fisher's Exact Test				.000	.000
Linear-by-Linear Association	73.280	1	.000		
N of Valid Cases	221				

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 50.82.
b. Computed only for a 2x2 table

Since the P values are lesser than 0.05, it can be concluded that the results were not due to mere chance and therefore we can accept the hypothesis that “Celebrity endorsements are more effective when the celebrities are of the same gender as the consumers.”

7. Conclusion

"Celebrity endorsement is a popular and effective promotional method in the modern era. It is beneficial to both the company and the celebrity. The study suggests that there is a relationship between celebrity endorsements and the consumers' perception of the brand. The majority of male celebrities are more highly endorsed than female celebrities." There is a positive and significant relationship between the endorsement values and the level of perceived persuasive role of celebrities in youth consumer market. This may be because the endorsements are a useful technique used to attract the attention of an audience and establish brands in people's minds. The endorsements are also beneficial because they prove popular and they have a positive impact on consumers' choices. It is important to note that there is a relationship between celebrity endorsements and the consumers' perception of the brand. Therefore, if this form of endorsement is well utilized by companies, then it can have many benefits like increasing brand image, attracting more consumers, reinforcing customer loyalty and increasing awareness of a product or service.

The paper also concludes that celebrity endorsements are more effective when the celebrities are of the same gender as the consumers. This may be the fact because of the shared cultural background. The celebrities can easily communicate with the consumers and share the same values.

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