



AN EMPIRICAL STUDY ON CELEBRITY ENDORSEMENT: A DOUBLE- EDGED SWORD

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ABSTRACT

The endorsement can work as a power booster for any brand or product. It is a type of communication in which one person speaks in the favor of brand, product or service. People appreciate those who have influence and/ or had already used the brand and words of mouth generated by any such personality (celebrity) act as a final stamp on the consumers' decision-making process. Celebrity endorsement has become one of the most powerful ways of promotion. Use of famous celebrities is a popular way to enhance the brand image and thus to increase sales, followed by almost every company. India is a country, which has always idolized the stars power of the celluloid world. At the same time this has given birth to a controversial issue of whether it really contributes to the brand building process and thus sales or it is just another gimmick which does not lead to any value creation except adding on cost, which is ultimately passed on to the end users. Hence, it becomes a key issue to investigate whether advertisements that endorse celebrities have any positive impact on people and do they really contribute to the additional value for the end users and company as a whole. The study uses a descriptive research approach and non-probability sampling design (convenience method) for the collection of data. Data were collected from 530 respondents covering the areas of NCR (Near Capital Region) including Delhi, Ghaziabad, Noida and Greater Noida.

Key Words: NCR, Celebrity, Endorsement

INTRODUCTION:

Signing film personalities and famous sportsperson for product/ service endorsement has been among top priorities of companies for a long time worldwide. In India, Hindustan Lever Ltd. can be traced as a pioneer that has roped in Bollywood stars for the endorsement of their beauty soap brand 'Lux' since 1950s. The trend became popular and eventually a large number of companies have started taking this route of mass advertising for their products. Now the popular brands of almost every company have been leveraging mass appeal of celebrities. Now the popular brands of almost every company have been leveraging mass appeal of celebrities. As soon as a new face ascends on the popularity charts, companies queue up to have it splashed all over. The spectacular rise of Sania Mirza, M S Dhoni, Irfan Pathan, Rajya Vardhan Rathod (Olympic Gold Medal Winner for India), Deepika Padukone and now Virat Kohli, Sushant Singh Rajpoot, P V Sindhu in endorsements are few examples. If the communicator and receiver have identical needs, goals, interests, and lifestyles, the position advocated by the source is better understood and received. That is why so many commercials choose as their model someone who is "from the target group". An example could be the stereotyped housewife in an advertising film of washing powder whose aim is to persuade the segment described as "housewife". This would especially prove true if the endorser and the category are a natural lifestyle fit like sportspersons and health drink (M S Dhoni - Boost), film stars and beauty products (Kareena Kapoor – Lux) or elegant personality and formal wear (Amitabh Bachchan - Reid & Taylor).

Endorsement Defined

An endorsement is a vote of approval for something. It is a signature that validates something. A formal and explicit approval.(Source: <http://ardictionary.com/Endorsement/2751>)

Endorsement can include approval that may be defined as fixing up a celebrity to represent the product/ service in a way so as to develop a maximum fit among celebrity, brand and consumer by featuring in advertisement for the firm.

Celebrity Defined

A widely known person. A **celebrity** is a person who is famously recognized in a society.

Fame: the state or quality of being widely honored and acclaimed. The characteristics of celebrity can be summed up as:

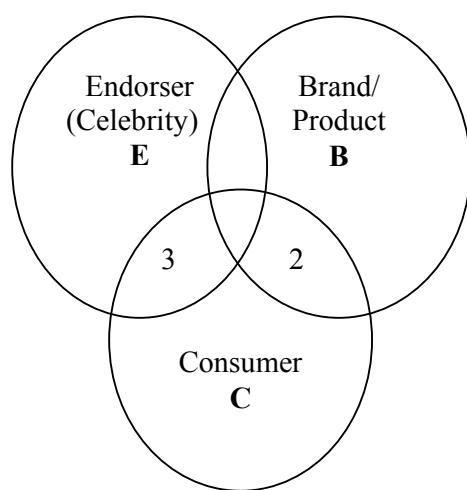
- A celebrity is highly visible-well known.
- A celebrity is usually recognized for some form of talent, beauty, or material quality.
- A celebrity is usually recognized for a performance.
- A celebrity's image or recognition in the media may change

Globalization and power that modern media hold over the consumers societies have contributed to the popularity of various celebrities.

Celebrity endorsers have public images, which are built from varying aspects of life, like status, class, gender, age, personality, lifestyle, profession & value systems. According to Fowles (1996), advertiser's rationale for hiring celebrities to endorse products is that people consume images of celebrities and advertisers in hope that people will also consume products associated with these celebrities. Similarly every product has an image. The consumer tries to consume a brand which has the maximum fit with his/her own personality/image. The celebrity endorser fits in between these two interactions, where he tries to bring the image of the product closer to the expectation of the consumer, by transferring some of the cultural meanings residing in his image to the product. This association among the celebrity (endorser), product and the target consumer is essentially based on the theoretical framework of **Classical Conditioning** given by Ivan Pavlov.



(Source: Impact of Celebrity Endorsement on Overall Brand By Ankur Khera & Rahul Chowdhury, MDI, Gurgaon.)



1. $E \cap B$: Represents the common characteristics (Characteristics Fit) between endorser and brand.

2. $B \cap C$: Represents the common characteristics (Characteristics Fit) between brand and consumer.

3. $C \cap E$: Represents the common characteristics (Characteristics Fit) between consumer and endorser.

4. $E \cap B \cap C$: Represents the optimum characteristics fit among endorser, brand and consumer, which companies aims to leverage.

LITERATURE REVIEW:

As per a research by **Mooij (1994) and Hofstede (1984)**, Global marketing faces many cultural roadblocks such as time, space, language, relationships, power, risk, masculinity, femininity. Celebrities help in entering new markets by breaking such roadblocks. A celebrity having a universal appeal or a celebrity of the target country can act as a source of recognition by the market.

Agrawal and Kamakura(1995) in their research on “The impact of celebrity endorsement contracts on firm profitability” found that the economic worth of celebrity endorsers justifies the large costs they incur. The findings of the research suggests that the impact of these endorsements on stock returns is positive, which suggests that celebrity endorsement contracts are generally viewed as a fruitful investment. They further stated that endorsers make advertisements more believable, enhance the recognition of a brand name, create a positive attitude towards the brand name and create a unique and distinct personality for the brand.

The findings of research by **Bandyopadhyay, Kindra and Sharp (2001)** proves that children feel validated in their choice of product when a celebrity endorses it and the impact on children becomes even more if the endorsement is done by their favorite characters.

According to **Kambitsis et al. (2002)** today the use of celebrity in advertising strategies is becoming more and more sophisticated and complicated. As a large numbers of short-lived celebrities are emerging on a daily basis. Hence, it becomes very important to investigate whether such endorsement advertisements have any socio-ethical implications.

Sabunwala Zohra (Nov., 2013) in the research paper “Impact of Celebrity Brand Endorsement on Brand Image and Product Purchases- A study for Pune region of India” concluded that Celebrity Endorsements significantly impacts Brand Differentiation. Most of the beverage user associate themselves with the brand and establishes congruence between their personality and that of brand's. They establish a linkage between their lifestyle and that of brand which prompts them to go for a particular brand irrespective of price, availability or any other factor. Various industry researches have also endorsed the findings that celebrities do create brand differentiation. Another major conclusion

that was drawn from the study is that Celebrity Endorsement significantly impact Brand Image.

Kasana Jyoti and Chaudhary Naveen ((2014), in their research paper on Impact of Celebrity Endorsement on Consumer Buying Behaviour: A Descriptive Study concluded that despite the potential benefits derived from celebrity endorsements, they increase a marketer's risk manifolds and should be treated with full attention and aptitude. They suggested that brand should be cautious when employing celebrities to ensure promise believability and delivery of the intended effect. They also pointed out the growing importance of mythical characters as celebrities.

Randhawa Anmol and Khan Javed Ahmed (2014) in their research paper on “Impact of Celebrity Endorsement on Consumer Buying Behaviour” found that Celebrity endorsement enhances product information and creates awareness among consumers. It helps them to recall the brands of the endorsed products. Celebrity Endorsed Ads persuade customers to purchase products rather than non celebrity endorsed Ads, Comic character Ads, Executive Ads and Fiction Ads. He also concluded that a good number of respondents believe that celebrities are not using those products which they themselves endorse and most of the respondents believe that frequent changes in celebrity for advertising the product reduce the purchasing decision of customers.

The present study has been built upon the issues emerged from the above studies carried out at different point of time by the above mentioned researchers. In subsequent sections of this study an empirical investigation has been done to meet the purpose.

OBJECTIVES OF THE STUDY:

1. To study if celebrity endorsements have any positive or negative impacts on consumer decision making.
2. To study the influence of celebrity endorsement across gender (male and female).
3. To study whether brands benefit from celebrity endorsement.

RESEARCH METHODOLOGY:

The present research is descriptive in nature as it aims at describing if celebrity endorsements have any positive impact on the consumers and their decision making process.

Hypotheses:-

In order to ensure effective analysis and understanding of data collected for the purpose of this study, the following null hypotheses have been formulated:

Ho 1. Celebrity endorsements have no specific positive impacts on consumer buying decision making

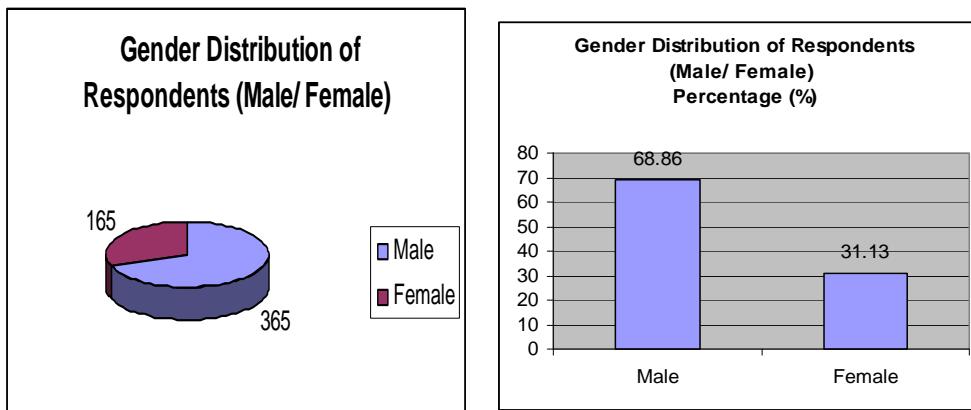
Ho 2. There is no significant difference between male and female consumers with respect positive impacts of endorsement advertising.

Sampling Design:

Sampling Unit- The sample unit of the study is entire national capital region (NCR), Ghaziabad, Noida and Greater Noida. Both

Data Analysis and interpretation:

1. Gender Distribution of Respondents (Male/ Female)



The above illustration represents the gender distribution status of respondents in terms of their belongingness to male or female groups. 68.83% respondents fall under male group whereas only 31.13% respondents are the representative of female counterpart. In this, male representatives are roughly more than double than that of female representatives.

Analysis and Interpretation: II

In this section, the data obtained through questionnaire have been analyzed. The questionnaire consists of 12 statements

rural and urban areas are being covered for the purpose.

Sample size – Because of the time and financial constraints a sample has been drawn as a representative of the universe. Sample size is 530. The sample consist of both male and female (365 male and 165 female) from the rural as well as its urban counterpart of the selected areas of NCR, Ghaziabad, Noida and Greater Noida.

Data Collection Instrument – A well structured questionnaire consisting five point Likert's scale ranging from "Strongly agree" to "Strongly disagree" has been used to measure the response to each statement (items). Cronbach's Alpha scale has been used as a measure of reliability. Its value is estimated as 0.778, which indicates high level of scale reliability.

Tools of Data Analysis - t-test has been used to study the association between various variables as well as to study the association between quantitative and qualitative variables. SPSS has been used for analysis purpose.

pertaining to positive impacts of endorsement advertising. Following tables present analysis of data pertaining to these 12 statements. The table 1 presents mean scores of all statements across male and female respondents and overall mean score. The table 2 shows comparison of means with the help of t-test. For each of these dimensions, t-test has been used to assess whether there exists significant difference in the mean value of opinions between male and female respondents.

TABLE-I : Gender wise as well as overall mean score

S. No	Statements	Mean Score Male	Mean Score Female	Overall Mean Score
1	Use of celebrity makes an advertisement interesting.	3.64	3.72	3.67
2	Advertisement featuring celebrities are instantly recognized.	3.84	4.02	3.90
3	Use of celebrity makes an advertisement memorable for a long time	3.96	4.19	4.04
4	Advertisements endorsed by celebrities motivate people to buy the product.	3.83	3.69	3.79
5	Use of celebrity in advertisements increases brand recall.	3.98	3.90	3.96
6	Advertisement casting physically attractive endorsers is more appealing.	3.61	3.55	3.59
7	Advertisement casting female endorsers is more appealing.	3.61	3.48	3.57
8	Celebrities contribute a lot to build up the credibility of an advertisement.	3.44	3.48	3.45
9	Consumers tend to be more positive about the product/ service when it is endorsed by a matching celebrity.	3.76	3.78	3.77
10	"Fan Effect" plays an important role in purchase decision.	3.77	3.76	3.77
11	Celebrities contribute to the improved image of the company.	3.72	3.84	3.75
12	Use of celebrities in advertisements related to social issues can be more effective and helpful.	4.32	4.33	4.32

Table-II: Independent Samples Test

Independent Samples Test						
Statements	Levene's Test for Equality of Variances		t-test for Equality of Means			
	F	Sig.	t	df	Sig. (2-tailed)	Mean Difference
Use of celebrity makes an advertisement interesting.	0.000	0.984	-0.795	528	0.427	-0.080
			-0.784	306.096	0.434	-0.080
Advertisement featuring celebrities are instantly recognized.	5.440	0.020	-2.133	528	0.033	-0.177
			-2.217	348.479	0.027	-0.177
Use of celebrity makes an advertisement memorable for a long time	1.219	0.270	-2.783	528	0.006	-0.230
			-2.990	378.977	0.003	-0.230
Advertisements endorsed by celebrities motivate people to buy the product.	0.001	0.975	1.521	528	0.129	0.139
			1.598	357.991	0.111	0.139
Use of celebrity in advertisements increases brand recall.	1.252	0.264	1.036	528	0.301	0.081
			1.103	369.831	0.271	0.081

Advertisement having physically attractive endorsers is more appealing.	0.050	0.822	0.578	528	0.564	0.063
			0.581	321.429	0.561	0.063
Advertisement having female endorsers is more appealing.	0.036	0.849	1.014	528	0.311	0.121
			1.028	326.745	0.305	0.121
Celebrities contribute a lot to build up the credibility of an advertisement.	0.700	0.403	-0.440	528	0.660	-0.043
			-0.435	307.666	0.664	-0.043
Consumers tend to be more positive about the product/service when it is endorsed by a matching celebrity.	0.289	0.591	-0.203	528	0.839	-0.017
			-0.204	321.440	0.838	-0.017
"Fan Effect" plays an important role in purchase decision.	4.284	0.039	0.126	528	0.899	0.015
			0.132	349.675	0.895	0.015
Celebrities contribute to the improved image of the company.	3.248	0.072	-1.464	528	0.144	-0.127
			-1.485	327.714	0.139	-0.127
Use of celebrities in advertisements related to social issues can be more effective and helpful.	1.376	0.241	-0.166	528	0.868	-0.012
			-0.174	354.567	0.862	-0.012

Interpretation:

1. It has been observed from the table 1 that overall agreement for the statement "Use of celebrity makes an advertisement interesting" is on the higher side. When we look at the analysis of statement across male and female respondents, no significant difference could be observed between mean scores of opinion expressed by male and female respondents. The value of t confirms to our analysis.
2. Overall analysis of statement that "Advertisement featuring celebrities are instantly recognized." presents that respondents have shown reasonably higher degree of agreement for the statement. It is very much clear that female respondents are in more agreement than their male counterparts. There is a visible difference of opinion between male and female respondents for the statement. The value of t is significant at 0.05 level and has confirmed our analysis.
3. When the statement "Use of celebrity makes an advertisement memorable for a long time" was put to analysis, overall it has been found that agreement level for this proposition is very high. It has also been found that female respondents are in more agreement with this statement than their male counterparts. There is a visible difference of opinion between male and female respondents for the statement. The value of t is significant at 0.05 level and has confirmed our analysis.
4. It has been observed from the table 1 that overall respondents have exhibited a higher degree of agreement for the statement "Advertisements endorsed by celebrities motivate people to buy the product". But when we look at table 2 and compare the mean score of opinion of male and female respondents, we found that there is no significant difference of opinion between male and female respondents with regard to this statement. The value of t has confirmed our analysis.
5. When the statement "Use of celebrity in advertisements increases brand recall." was put to analysis, overall it has been observed that the general agreement level is on the higher side. On further analyzing the statement across male and female respondents, no significant difference could be observed between mean scores of opinion expressed by

- male and female respondents. The value of t confirms to our analysis.
6. Overall analysis of statement that "Advertisement having physically attractive endorsers is more appealing" suggests that general agreement for this proposition is reasonably high. The cross gender analysis of this statement does not depict any significant difference of opinion between male and female respondents. The t-test confirms the same.
7. When we look at the analysis of statement "Advertisement casting female endorsers is more appealing", overall agreement is on the higher side. The cross gender analysis of mean scores shows no significant difference of opinion male and female respondents for the proposition. The value of t confirms to our analysis.
8. The overall analysis of statement "Celebrities contribute a lot to build up the credibility of an advertisement" presents that there is moderately high degree of agreement for this statement. The gender wise analysis of mean scores does not demonstrate any significant difference of opinion between male and female respondents. The t-test confirms the same.
9. When the statement "Consumers tend to be more positive about the product/service when it is endorsed by a matching celebrity" was put to analysis, overall it has been found that respondents have exhibited a significantly higher degree of agreement for this statement. Further gender wise analysis of this statement does not demonstrate any significant difference of opinion between male and female respondents. The t-test confirms the same.
10. When we look at the analysis of statement that "Fan Effect" plays an important role in purchase decision" overall we observe that the general agreement level for the statement is moderately high. No visible difference of opinion between male and female respondents could be observed for the statement. The t-test has confirmed to our analysis.
11. Overall analysis of statement that "Celebrities contribute to the improved image of the company" presents that there is moderately higher degree of agreement for this proposition. Further mean score wise analysis of data does not demonstrate any significant difference of opinion between male and female respondents. The t-test confirms the same.
12. When the statement "Use of celebrities in advertisements related to social issues can be more effective and helpful" was put to analysis; overall it has been found that agreement level for this proposition is extremely high. Further gender wise analysis of this statement does not demonstrate any significant difference of opinion between male and female respondents. The t-test confirms the same.

Conclusions and Recommendations:

In the present paper, efforts have been put to analyse the positive impacts of endorsement advertising from customers' perspective. The major independent variables used for diagnosis of the opinions of respondents with respect to positive impacts of endorsement advertisement include only the cross gender analysis.

Overall conclusions of cross tabulation: The overall conclusion based on t -test has been presented in the following table:

Table III: Acceptance/Rejection of null hypothesis.

S. No	Statements	Acceptance/Rejection of null hypothesis
1	Use of celebrity makes an advertisement interesting.	Accepted
2	Advertisement featuring celebrities are instantly recognized.	Rejected
3	Use of celebrity makes an advertisement memorable for a long time	Rejected

4	Advertisements endorsed by celebrities motivate people to buy the product.	Accepted
5	Use of celebrity in advertisements increases brand recall.	Accepted
6	Advertisement casting physically attractive endorsers is more appealing.	Accepted
7	Advertisement casting female endorsers is more appealing.	Accepted
8	Celebrities contribute a lot to build up the credibility of an advertisement.	Accepted
9	Consumers tend to be more positive about the product/ service when it is endorsed by a matching celebrity.	Accepted
10	Fan Effect plays an important role in purchase decision.	Accepted
11	Celebrities contribute to the improved image of the company.	Accepted
12	Use of celebrities in advertisements related to social issues can be more effective and helpful.	Accepted

Rejected: 02

Accepted: 10

The analysis presented in the above table shows 10 approvals and 2 disapprovals of null hypotheses which reflects that there is no significant difference between male and female respondents with respect to impacts of endorsement advertising in decision making. It can be concluded that respondents do not exhibit significant variations when the data is analysed on the basis of gender. It can be suggested that gender does not constitute an important factor while determining the difference among respondents with respect to their opinion towards the positive impacts of endorsement advertising.

Observations:

In the backdrop of all these findings the researcher seeks to make the following recommendations:-

- It has been found that the majority of respondents feels that advertisements featuring celebrities are very interesting, instantly recognized and stays in memory for a long time. Marketers therefore, are suggested to go ahead full throttle with their endorsed advertisements.
- Findings reflect that there is no significant difference in the opinion of male and female respondents for most of the statements. This reflects that as such there

is no need of carving different advertising strategy to target male and female groups.

- It has been found that majority of people get motivated by endorsement advertising to buy the product. Also endorsement advertising enhances brand recall. Therefore, it is suggested that in order to influence the consumer behaviour in their favour, marketers can use endorsement advertising as an effective tool.
- It has been found that the majority of respondents feel the influence of 'Fan effect'. Marketers are suggested to capitalize on Fan effect. Fan effect suggests that celebrity endorsers will be more effective for brands for which consumers have limited knowledge/facts.
- Non government organizations, Social sector or Government sector are also recommended to promote various social ideas with the help of endorsement advertising as it has been reflected by the findings that celebrities may be of great help in advertising for social ideas.
- Marketers are always in need of a force to push their newly developed products in the market. As per the findings of the research, celebrity endorsement is that recommended force.

In a nut shell, it can be concluded that approval of a brand by a star fosters a sense of trust for

that brand and generates the feeling of belongingness among the target audience. Celebrities ensure attention of the target group by breaking the clutter of advertisements and making the ad and the brand more noticeable. This holds even truer in case of the BRAND-CONSUMER - ENDORSER triad has a perfect fit. In all, the endorsement advertising has been accepted as a force by the respondents, which affects their purchase decisions, moulds their behaviour.

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