

CONSUMERS OPINION ABOUT CELEBRITY ENDORSEMENTS: AN EXPLORATORY STUDY IN DELHI

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ABSTRACT

Indian marketplace has undergone significant changes in the recent past. Consumers have come into contact with new advertising and sales promotion practices. To grab attention of Indian consumers marketers are increasingly using celebrity endorsements. Celebrity endorsement is a way to get the brand noticed amidst the clutter that is there in the market place. Objective of this article is to examine the impact of celebrity endorsement on consumer's buying behavior as well examine the factors considered by consumers in purchasing a product or service.

Keywords: Consumer Opinions, celebrity endorsement, consumer purchase decisions.

INTRODUCTION

Celebrity is a person whose name could grab public attention, arouse public interest and generate profit from the public (Kotler, Keller and Jha, 2007). Hence, the celebrity endorsement is the use of famous people to endorse a particular product, service or brand. Celebrity endorsement is very useful, which can help to gain sales, increase brand awareness, create positive feelings towards the brand, entertain the customers, as well as recall the brand value (Stanton and Futrell, 2001).

India is one of the countries where wide disparities exists in social (ethnicity, culture, language, norms and values etc.) as well as economic terms, resulting in discrepancies in the purchasing power and decision making influence, which the advertisers should keep in mind. To influence consumer behavior various techniques are used by marketers among them one very popular tool is celebrity endorsement (Alsmadi et al., 2008). In line with the marketers all over the world Indian marketers have also started using celebrity endorsements. In 1980s brands like Vimal, Thums Up and Gwalior used stars for brand promotion. Later on in 90s Coca Cola started using Indian celebrities for its advertisements in India. Even brands of high recognition like Parker also used Indian movie star Amitabh Bachchan to endorse the brand in India (Abhishek and Sahay, 2013).

REVIEW OF LITERATURE

Over a period of time various researchers studied the impact of celebrity endorsements on brands. Their studies revealed that the impact of celebrity endorsements on brands varies with the celebrity and the product category and that most of the endorsements have a

favorable impact (Balakrishna, 2011 and Ganesan et al., 2012). Erdogan (1999) and Agrawal and Kamakura (1995) reported in their studies that celebrities bring their unique image to the product, brand or service they endorsed and thus can generate, improve and alter the brand image. It has been documented that celebrity endorsements had positive impact on economic returns of the companies (Agarwal and Kamakura, 1995; Chung, Derdenger, and Srinivasan, 2013; Elberse and Verleun, 2012; Mathur, Mathur, and Rangan, 1997). It has been found that when public personality of the celebrity matches with the products and target audiences then celebrity endorsers are more effective than non-celebrity endorsers in creating positive attitudes towards advertising and endorsed brand, intentions to purchase, and actual sales (Erdogan, 1999).

Celebrities can influence the attitude and purchasing decision of the consumers because of the reputation, credibility, trustworthiness and fan following enjoyed by them. Celebrity endorsement helps corporations to build up brand awareness and to gain acceptance. Against this backdrop the present study focuses on examining the issues related to celebrity endorsements in the city of Delhi, India.

OBJECTIVES OF THE STUDY

By gaining the insights from previous research and news about the celebrity endorsement in India, this study would focus on opinions of consumers on celebrity endorsement. The present study mainly focuses on:

- To find out the awareness of celebrity endorsement.
- To identify the factors that valued most by consumers at the time of buying.
- To study impact of celebrity endorsements on customers purchase decisions.
- To gauge factors that influence purchase of a celebrity endorsed product.
- To ascertain consumer opinions with respect to the quality of endorsed products.
- To analyze the consumers opinions pertaining to benefits of celebrity endorsement (for e.g., aid in brand promotion, help companies to increase their total revenue).
- To analyze whether the celebrity themselves use the particular products that he/she endorses.
- To examine the impact of celebrity from different industries (film stars, sports persons, politicians etc.) on possibility of buying a product.

This study is based on the primary data collected from Delhi region with the help of structured questionnaire. Questionnaire was distributed to 200 consumers during July-August 2013. Convenience sampling method was used to select the respondent residing in Delhi. After repeated call backs, 126 filled in questionnaires were received. Of these, however, only 115 were found usable for purpose of analysis in this study as 11 respondents reported that they are unaware of celebrity endorsement.

FINDINGS OF THE STUDY

Major findings of the study are discussed in this section.

Table 1. Awareness of celebrity endorsements

| Awareness of celebrity endorsements | No of Respondents | Percentage |
|-------------------------------------|-------------------|------------|
| Yes | 115 | 91.3 |
| No | 11 | 8.7 |
| Total | 126 | 100 |

91 percent of the respondents are aware of celebrity endorsement while 9 percent of respondents were unaware of celebrity endorsements.

Table 2. Factor valued most when purchasing a product

| Factor valued most when purchasing a product | No of Respondents | Percentage |
|--|-------------------|------------|
| Price of the product | 30 | 26.1 |
| Celebrity endorsement | 10 | 8.7 |
| Quality of the product | 35 | 30.4 |
| Value for money | 40 | 34.8 |
| Total | 115 | 100 |

35 percent of the respondents want value for their money while purchasing products, quality of the product is valued by 30 percent of the respondents, 26 percent respondents think price of the product is the most important factor while making a purchase decision. Celebrity endorsement is viewed as the most important element only by 9 percent respondents.

Table 3. Purchase of a celebrity endorsed brand or product

| Purchase of a celebrity endorsed brand or product | No of Respondents | Percentage |
|---|-------------------|------------|
| Yes | 64 | 55.7 |
| No | 51 | 44.3 |
| Total | 115 | 100 |

56 percent respondents do purchase brands or products endorsed by celebrities while 44 percent of the respondents refused to purchase the celebrity endorsed products.

Table 4. Factors that influence purchase of a celebrity endorsed product

| Factors that influence purchase of a celebrity endorsed product | No of Respondents | Percentage |
|---|-------------------|------------|
| High Status image | 55 | 47.9 |
| Price | 5 | 4.3 |
| People influence | 20 | 17.4 |
| Celebrity transferred image | 30 | 26.1 |
| Other reasons | 5 | 4.3 |
| Total | 115 | 100 |

48 percent respondents believed that products endorsed by celebrities carry high status image, 26 percent respondents are purchasing the products because of celebrity transferred image, people influence to purchase celebrity endorsed products effect buying decision of 17 percent respondents while 8 percent of the respondents reported that price and other factors influenced their decision of purchasing celebrity endorsed products.

Table 5. Products advertised by the celebrities are of good quality

| Products advertised by the celebrities are of good quality | No of Respondents | Percentage |
|---|--------------------------|-------------------|
| Yes | 50 | 43.4 |
| No | 20 | 17.4 |
| Not Sure | 45 | 39.2 |
| Total | 115 | 100 |

43 percent respondents think that products endorsed by celebrities are of good quality against the percentage score of 17 who opine that celebrity endorsed products are not of good quality.

Table 6. Celebrity endorsement aid brand promotion

| Celebrity endorsement aid brand promotion | No of Respondents | Percentage |
|--|--------------------------|-------------------|
| Yes | 85 | 73.9 |
| No | 10 | 8.7 |
| Not sure | 20 | 17.4 |
| Total | 115 | 100 |

Majority of the respondents think that celebrity endorsement helps in brand promotion. 9 percent of the respondents do not think that brand promotion is possible through celebrity endorsement.

Table 7 : Use of celebrities to promote products help companies to increase their total revenue

| Use of celebrities to promote products help companies to increase their total revenue | No of Respondents | Percentage |
|--|--------------------------|-------------------|
| Yes | 70 | 60.9 |
| No | 30 | 26.1 |
| Do not Know | 15 | 13.0 |
| Total | 115 | 100 |

61 percent respondents consider that by celebrity endorsements companies can increase their total revenue while 26 percent think that celebrity endorsements do not affect companies' revenue.

Table 8. Use of the endorsed products by celebrities themselves

| Use of the endorsed products by celebrities themselves | No of Respondents | Percentage |
|---|--------------------------|-------------------|
| Yes | 40 | 34.8 |
| No | 65 | 56.5 |
| Not sure | 10 | 8.7 |
| Total | 115 | 100 |

57 percent of the respondents reported that celebrities themselves do not use the products which they endorse against 35 percent who believe that celebrities use the products endorsed by them.

Table 9. Likelihood of buying a product if the celebrity is from the following industry

| Likelihood of buying a product if the celebrity is from the following industry | No of Respondents | Percentage |
|---|--------------------------|-------------------|
| Film Stars | 45 | 39.2 |
| Sports persons | 55 | 47.8 |
| Serial actors | 10 | 8.7 |
| Politicians | 2 | 1.7 |
| Others | 3 | 2.6 |
| Total | 115 | 100 |

Sport celebrities influence most the purchasing decision of respondents as 48 percent respondents buy the products endorsed by them followed by film stars with the percentage score of 39. Next in order come serial actors and politicians.

CONCLUSION, IMPLICATIONS AND LIMITATIONS

Majority of the respondents are aware of celebrity endorsements and their buying decisions are influenced by factors like value for money, quality and price of the product. Also a major chunk of respondents do buy celebrities endorsed brands or products because they think that endorsed products, services or brands carry high image and are of good quality. Majority of the respondents think that celebrity endorsement helps in brand promotion and help companies to increase their total revenue. At the same time most of respondents reported that celebrities do not use products endorsed by themselves and it is the sports celebrities who are most influential.

In the light of findings of the study it has been found that celebrity endorsements can be utilized to achieve business goals in a numerous ways. Corporations can reap the financial benefits of celebrity endorsements in the form of increased revenue and brand promotion as respondents believed that endorsed products are of good quality and carry high status image. In today's media cluttered environment most of the marketers are using famous face to grab consumer attention and making their products more visible.

Like any other study, this study too is not without limitations. Being confined to a sample of consumers located in and around Delhi, study findings are not generalizable to the population of the country as a whole. It will be, therefore, in the fitness of things if larger and nationwide samples, especially the ones covering rural population, are employed in future studies to arrive at more valid results.

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