

CELEBRITY ENDORSEMENT: AN EFFECTIVE MARKETING TOOL

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Abstract

In this modern world every businessman wants to be in the top position in his sector and become the number one company. For achieving this goal they make their product more colorful and noticeable by the help of attractive advertisements. But it is not necessary that audience notice all the commercials on magazines, newspaper or viewing TV. Marketers are very well aware about the nature of their consumer and came with a strategy of catching more and more attention. This strategy is known as Celebrity endorsement. Thus, celebrity endorsement in advertisement and its impact has great importance. In this study researcher mainly concentrates on effect of Celebrity Endorsement on brand image, brand awareness and product sales.

Key words-Celebrity endorsement, Brand Image, Product Promotion, Brand and Advertising

Introduction

India is a country, which has always idolized the stars and keeps them into the top of their head and heart. Therefore it makes great sense for the companies that they acquire a celebrity for endorsing their brand. In India there is a huge potential for a celebrity endorsement and hence companies are using this strategy for motivating consumers to go for their products. Now-a-days companies are investing large sums of money to support their brands and themselves by the help of brand ambassador. These brand ambassadors are dynamic, attractive and likeable in the audience and they have all the qualities which are required for attracting a customer. The brand ambassador will be any kind of celebrity who enjoys public recognition by a large share of people. A celebrity must have attributes like extraordinary lifestyle, attractiveness, and special skills and some different position in the society and known to maximum number of people. A Brand Ambassador is not only a spokesperson for the brand, but he/she plays a role of a support for consumer at the time of decision making process. Today, celebrity endorsement is a very successful and commonly

practiced strategy for major firms to create and improve company's brand image

Meaning of 'Celebrity Endorsement'

McCracken's (1989) definition of a celebrity endorser is, "any individual who enjoys public recognition and who uses this recognition on behalf of a consumer good by appearing with it in an advertisement (marcoms), is useful, because when celebrities are depicted in marcoms, they bring their own culturally related meanings, there to, irrespective of the required promotional role." Friedman and Friedman (1979) found empirical evidence that, in the promotion of products high in psychological and/or social risk, use of celebrity endorser would lead to greater believability, a more favorable evaluation of the product and advertisement, and a significantly more positive purchase intention. As per the above definitions celebrities are well known identity enjoying lots of fan following. They have special place in the society and a common man always wants to be like them. People believe them and feel that the celebrities are their well wishers. Today, the use of celebrity advertising has become a trend for the marketers. The main reasons behind the aggressive use of celebrities for promotional activities are their good reputation, mass appeal, and associative benefit, higher degree of recall, ensured attention and finally establishment of credibility. The marketers with positive experiences believe that celebrity endorsements work and it will help them in achieving their targets.

Literature Review

Erdogan, Zafer, May 1999, in his review "Celebrity Endorsement: A Literature Review" says that celebrity endorsement is a common practice of marketing communications strategy for major firms to support their brand image. In this paper the author raises the question that how can companies select and retain the 'right' celebrity among many competing alternatives, and, simultaneously manage this resource, while avoiding potential pitfalls? He also discussed about the various variables of celebrity selection

process.

David H. Silvera, Benedikte Austad, 2004 in their article "Factors predicting the effectiveness of celebrity endorsement advertisements" study whether the consumers understand that the celebrity endorsers really like the brands/products they endorse.

Angela Byrne, Maureen Whitehead, Steven Breen, 2003 in their case study "The naked truth of celebrity endorsement" examine the use of celebrity endorsement. They also discussed about the success of the campaign in New Zealand by another grocery retail "giant", Foodstuffs, who have celebrity to endorse their products..

Sanyukta A. Kulkarni, Sahir U. Gaulkar, 2005, in their article "Impact of Celebrity Endorsement on Overall Brand" describe about the impact of celebrities in their brand. This article is based on the theories like 'Source Credibility Theory, Source Attractiveness Theory and Meaning Transfer Theory' by which the authors try to find out how celebrities work in the market and influence the customer. The authors also discussed about the impact of multiple endorsements in the mind of customer.

Sadhu Ramakrishna & A Santhosh Reddy, in their article "Celebrity Endorsement - An Effective Tool for Building Brands?" focus on celebrity endorsement and its use by marketers. They also explain about the problems faced by marketers at the time of choosing the right celebrity for their brands. They also discussed about the do's and don'ts of use of celebrity for endorsing the brand.

Dr. Puja Khatri, July-Dec. 2006, "Celebrity Endorsement : A Strategic Promotion Perspective" Indian Media Studies Journal, states that the celebrity endorsement is a solution for all marketing activities. She also states that the star appeal needs to be perfectly intelligently and strategically correct to get in the benefits and make brands. It acts as an aid to further recall and influence purchase.

Research Design

Research designing is the process to systematically solve the research problem. It is known as a science of studying how research is done scientifically. It involves data collection process, analysis of data, their interpretation and last summarization. The present study is based on primary data. The paper has used qualitative methodology and is based on different responses of the respondents. The researcher makes attempts to evaluate the effectiveness of brand ambassador in the mind of customer.

Objectives :-

- ❖ To find out the effect of celebrity endorsement

on brand image.

- ❖ To find out the recalling capacity of different promotional activities.
- ❖ To find out effect of Celebrity Endorsement in the sale of a product.

Location of the Study

The research was conducted in front of different retail stores, market area, colleges and restaurants in the Nashik city

Design of Questionnaire

The questionnaire was designed based on the objectives of the study. The questionnaire was consisted closed ended question. Hypothesis is also considered at the time of framing questionnaire.

Data collection

Primary data was collected through structured questionnaire. A questionnaire is a research instrument consisting of a series of questions. The data was collected by one to one interaction with the respondents at different premises.

Sampling Methods & Sample Size

Random sampling method was followed and 125 respondents contributed for the research. The respondents chosen were store customers, students, professionals, house wives, and service people from their respective places.

Method of Analysis

In this research the method of analysis is hypothesis testing by the help of Chi square method.

Data Analysis

To carry out the research a questionnaire was prepared to capture the objectives of the research. The people from different age groups, genders and occupations were selected for the study. The data collected through questionnaire were coded and cross-tabulated keeping in context the objective of the study.

Conceptual Framework

Hypothesis Testing- Hypothesis testing is the rational framework for applying statistical tests. Hypothesis testing, being with an assumption called hypothesis, is to test the validity of assumption.

H₀: the null hypothesis. The number is from a standard normal distribution with $\mu = 0$.
H_A: the alternative hypothesis. The number is not from a standard normal distribution with $\mu = 0$.

CHI Square

The chi-square test is the statistical technique in which the sum of the contributions from every individual cell is calculated. The overall chi-square statistics is determined by the contribution of the points of every cell in a table. The contribution of a cell to the overall

chi-square is large if a cell differs from the expected frequency. The overall chi-square is low when a cell is close to the expected frequency for that cell. A large chi-square statistic shows that somewhere in the table, the observed frequencies differ considerably from the expected frequencies.

Chi Square $X^2 = \frac{(\text{Observation value of responses} - \text{Expected value of responses})^2}{\text{Expected value of responses}}$

$$X^2 = \frac{(fo-fe)^2}{fe}$$

Hypothesis

- ❖ Hypothesis H_1 - All factors having same affect on Brand Image
- ❖ Hypothesis H_2 - There is no effect of Celebrity Endorsement on Product promotion.
- ❖ Hypothesis H_3 - There is no effect of Celebrity Endorsement on the product sales.

Distribution of Customer

Out of the 125 respondents, 43 were of the age group below 25 years, 40 of the age group 25-45, 24 were of the age group 46-60 and rest 18 were of the age group above 60. 40 respondents were females and 85 were males. Out of 125 respondents 11 were house wives, 39 were business man, 32 respondents were doing service and rest 43 were students.

Analysis

The most important part of any research study is data analysis. Data Analysis is mainly concerned with the reliability and accuracy of the research and researcher has to give more dedication for this part. With importance of analysis taken into consideration researcher has to be very sincere about data analysis. Selection of the data analysis tools is the critical process. Research tool is mainly dependent on the sampling method and sample size i.e. reliability and accuracy of the data.

Factors Affecting Brand Image of A Product

There are many factors which affect the brand Image of a company and a product. It is observed that the factors like celebrity, features of a product, benefits of the product and at last the price of the product. These factors have different impacts on customer's mind at the time of purchasing decision. To find out the effect the researcher has taken few hypotheses to get the final result.

H_0 - All factors having same affect on Brand Image

H_1 - All factors having different affect on Brand Image

Table. 1 Factors affecting Brand Image

Chi Square $X^2 = \frac{(\text{Observation value of responses} - \text{Expected value of responses})^2}{\text{Expected value of responses}}$

$$X^2 = \frac{(fo-fe)^2}{fe}$$

$$X^2 = 19.48$$

$$d.f. = (k-1) = 4-1 = 3$$

$$\text{Significance level} = 5\%$$

$$X^2 \text{ at } d.f. = 4 \text{ and } = 5\%, = 7.82$$

$$19.48 > 7.815$$

The level of significance is a measure of degree of risk that a researcher might reject the null hypothesis. When null hypothesis is true 5% is the commonly used level of significance by the business researcher. 5% level of significance indicates that 5% may wrongly conclude that there is difference between the sample statistics and the hypothesized population parameter.

Therefore:- At 5% level of significance the table value of test statistics is = 7.82. Which is less than calculated value hence Alternative hypothesis fall in the acceptance region hence we reject null hypothesis and it is proved that all factors (Celebrity, Features, Benefits, and Price) have different effect on the brand image.

Effect of Celebrity Endorsement on Product Promotion.

Now-a-days marketers are putting all possible efforts to promote their brands and to grab the customer's attention. The reason behind attracting the customer's attention and developing positive associations is not just to recall the brand name but also to make trial and ultimately effect purchase decisions. Today advertising plays a vital role in influencing consumer purchases, it becomes important for companies to use all possible measures to influence, motivate the customer to purchase, through an effective advertising campaign. Theory and practice prove that the use of superstars in advertising generates lot of publicity and attention. (Ohanian, 1991). The underlying question is how effectively companies promote their brands and consequently increase their revenues. (Schlecht, 2003)

When respondents were asked to state that what helped them to remind the ads for a longer time, then many of the respondents said that there must be some thing which would be able to grab their attention, like cute baby, nice animation, humor, celebrity and any offensive moment.

After that the next question asked was whether the celebrities were able to catch their attention. Out of 125 respondents 97 said yes and 28 said no.

H_0 - There is no effect of Celebrity Endorsement on Product promotion

H_1 - There is an effect of Celebrity Endorsement on Product promotion

Table 2: Calculation for hypothesis

Chi Square $X^2 = (\text{Observation value of responses} - \text{Expected value of responses})^2 / \text{Expected value of responses}$

$$X^2 = (fo-fe)^2 / fe$$

$$X^2 = 38$$

$$\text{d.f.} = (k-1) = 2-1 = 1$$

$$\text{Significance level} = 5\%$$

$$X2 \text{ at d.f.} = 4 \text{ and } = 5\%, = 3.84$$

$$38 > 3.84$$

At 5% level of significance the table value of test statistics is = 3.84. Which is less than calculated value hence Alternative hypothesis fall in the acceptance region hence we reject null hypothesis and it proves that there is an effect of celebrities on product promotion.

Effect of Celebrity Endorsement on the Product Sales

It is observed that known products and names are sold more than unknown ones. Therefore, a known brand gets more recognition and market in comparison with completely unknown or unexposed brand. Recognition of brands plays a very significant role in consumer decision-making process. It is observed that famous people achieve a higher degree of attention and recall as compared to any other celebrity. They help in retention of audience and also increase the awareness of a company's brand. Celebrities are also helpful in reducing companies' expenditure on media and other forms of publicity. Celebrities also create positive image towards brands and connect brands with the values of an audience. H0 - There is no effect of Celebrity Endorsement on Product sale

H1 - There is an effect of Celebrity Endorsement on Product sales

Table 3: Calculation for hypothesis

Chi Square $X^2 = (\text{Observation value of responses} - \text{Expected value of responses})^2 / \text{Expected value of responses}$

$$X^2 = (fo-fe)^2 / fe$$

$$X^2 = 38$$

$$\text{d.f.} = (k-1) = 2-1 = 1$$

$$\text{Significance level} = 5\%$$

$$X2 \text{ at d.f.} = 4 \text{ and } = 5\%, = 3.84$$

$$91.24 > 3.84$$

At 5% level of significance the table value of test statistics is = 3.84. Which is less than calculated value hence Alternative hypothesis fall in the acceptance region hence we reject null hypothesis and it is proved that there is an effect of celebrity endorsement on the sales of a product.

Findings

1. The facts and figures show that the growth of celebrity endorsement is very high and audience also want to watch them.
2. Facts and figures show that the celebrity endorsement has a great impact on brand image. The impact can be good as well as bad so marketers must take care of the image of a celebrity.
3. Celebrity endorsement is an effective tool for product promotion because they increase the recalling capacity of a brand.
4. The facts and figures also show that the linkage between the product features and Celebrity image is very important in the selection of Brand Ambassador for any company.
5. The celebrity endorsement is really helpful for awareness of brand.
6. The facts and figures show that Celebrity endorsement increases the sales of the product.

Recommendations

1. Before selecting any celebrity to endorse their brand marketers should find out the image of celebrity among the audience.
2. Negative image of celebrity and wrong message can create negative impact on consumer mind so the message which is passing on should be clear and correct.
3. Company should also consider the images of brand and celebrity and they should match with each other. For example Sachin Tendulkar is a sports person and he is endorsing energy drink boost which is associated with the sports.
4. At the time of any advertising campaign a marketer should understand that only celebrity endorsement can not achieve the target, it is the combination of all (good brand name, product feature, and product quality and product performance).

Conclusion

Today companies are using celebrities to endorse their products. Celebrity endorsement has been one of the most popular tools of advertising in today's scenario. It has now become a trend for marketing a product. According to the research it is easy to choose a brand ambassador for your product but it is difficult to make a good association between the product and the endorser. The use of celebrity for endorsement creates great impact on the consumer mind and buying behavior. It helps the marketers to force a consumer to purchase a product. However, it is very important for advertisers to be alert before using any

complex processes underlying celebrity endorsement. It has been proved that celebrity endorsement is the powerful and useful tool that creates good effect of a campaign on consumer but only celebrities alone can not give success. Even a great advertising campaign or the best possible product fails in getting good response. The success of any brand is depending on the combination of several factors and elements, which help in acceptance of product in the minds of consumers as well as for marketers.

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Table. 1 Factors affecting Brand Image

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|--|-----------------------------------|----------------|----------------|--|---|
| Factors | No. of response (f _o) | Percentage (%) | f _e | (f _o -f _e) ² | (f _o -f _e) ² / f _e |
| Celebrity | 32 | 31.25 | 0.75 | 0.5625 | 0.018 |
| Features | 39 | 31.25 | 7.75 | 60.0625 | 1.922 |
| Benefits | 43 | 31.25 | 11.75 | 138.063 | 4.418 |
| Price | 11 | 31.25 | -20.25 | 410.063 | 13.122 |
| Total | 125 | | | | 19.48 |
| $\sum(f_o-f_e)^2 / f_e = 19.48$ | | | | | |
| d.f = k-1; 4-1=3 ; $\alpha = 5$; $x^2 = 19.48$; Result 19.48>7.815 | | | | | |

(Source - Compiled by author)

Table 2: Calculation for hypothesis

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|---|-----------------------------------|----------------|----------------|--|---|
| characteristics | No. of response (f _o) | Percentage (%) | f _e | (f _o -f _e) ² | (f _o -f _e) ² / f _e |
| Yes | 97 | 77.6 | 62.5 | 1190 | 19 |
| No | 28 | 22.4 | 62.5 | 1190 | 19 |
| Total | 125 | | | | 38 |
| $\sum(f_o-f_e)^2 / f_e = 38$ | | | | | |
| d.f = k-1; 2-1=1 ; $\alpha = 5$; $x^2 = 79$; Result 76>3.84 | | | | | |

(Source - Compiled by author)

Table 3: Calculation for hypothesis

| Table 3: Calculation for hypothesis | | | | | |
|---|---------------------------|----------------|-------|---------------|---------------------|
| characteristics | No. of response (f_o) | Percentage (%) | f_e | $(f_o-f_e)^2$ | $(f_o-f_e)^2 / f_e$ |
| Yes | 116 | 92.8 | 62.5 | 2862 | 45.62 |
| No | 9 | 7.2 | 62.5 | 2862 | 45.62 |
| Total | 125 | | | | 91.24 |
| $\sum(f_o-f_e)^2 / f_e = 91.24$ | | | | | |
| d.f = k-1; 2-1=1 ; $\alpha = 5$; $\chi^2 = 79$; Result $91.24 > 3.84$ | | | | | |

(Source - Compiled by author)