Study of Impact of Celebrity Endorsement on Consumer Buying Behaviour

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Advertising is a form of marketing communication used to persuade an audience to take or continue some action, usually with respect to a commercial offering political or ideological support. In this dynamic world, the methods of advertising are changing with alacrity. The objective of this paper is to understand the shift in the perception of consumers about celebrity endorsements.

1. Introduction

1.1 Introduction to Advertisements
An advertisement (or "ad" for short) is anything that draws good attention towards these things. It is usually designed by an identified sponsor, and performed through a variety of media. Ads appear on television, as well as radio, newspapers and magazines and as billboards in streets and cities.

Strategic brand positioning and effective communication are the keys to success in today’s market where many brands compete in the same category for the market share.

Advertising is an imperative tool that enables a customer to purchase a product or service. Even though companies use various techniques to attract customers toward a particular product, sometimes, celebrity endorsements will not ensure consumer loyalty. The customer tends to look at a product, with various prospects like:

• Is the product of good quality?
• Whether the products exactly meets his or her needs.
• If the product is being produced by a well-known manufacturer.
• To win the customer's trust, the brands must convince customers with their continuous positive delivery of the quality of the product.

1.2 Types of Advertisements
There are various ways in which one can go about advertising for their product. Some of the ways include-

• **Television advertising/Music in advertising**
A commercial advertisement on television (usually abbreviated to TV commercial, ad, ad-film) is a span of television programming produced and paid for by an organization, which conveys a message, typically to a market, a product or a service. Advertising revenue provides a significant portion of the funding for most privately owned television networks.

• **Infomercials**
An infomercial is a long-format television commercial, typically five minutes or longer. The word “infomercial” is a portmanteau of the words “information” and "commercial”. The main objective of an infomercial is to create an impulse purchase, so that the target sees the presentation and immediately buys the product through the advertised toll-free telephone number or website.

• **Radio Advertising**
Radio advertisements are broadcasted as radio waves to the air from a transmitter to an antenna and a thus, to a receiving device. Airtime is purchased from a station or network in exchange for airing the commercials. While radio has the limitation of being restricted to sound, proponents of radio advertising often cite this as an advantage.

• **Online Advertising**
Online advertising is a form of promotion that uses the Internet and World Wide Web for the expressed purpose of delivering marketing messages to attract customers. An ad server delivers online ads.

• **Domain Name Advertising**
Domain name advertising is most commonly done through pay per click search-engines; however, advertisers often lease space directly on domain names that generically describe their products.

• **Product Placements**
Covert advertising is when a product or a brand is embedded in entertainment media. For example, when an actor in a film is using a particular brand of cell phone or soft drink and the brand name is clearly visible.

• **Press Advertising**
Press advertising describes advertising in a printed medium such as a newspaper, magazine, or trade journal. This encompasses everything from media with a very broad readership base, such as a major national newspaper or magazine, to more narrowly targeted media such as local newspapers and trade journals on very specialized topics.
• **Bill Board Advertising**
  Billboards are large structures located in public places, which display advertisements to pedestrians and motorists. Most often, they are located on main roads with a large amount of passing motor and pedestrian traffic; however, they can be placed in any location with large amounts of viewers, such as on mass transit vehicles and in stations, in shopping malls or office buildings, and in stadiums.

• **Celebrity Branding**
  This type of advertising focuses on using celebrity power, fame, money and popularity to gain recognition for their products and promote specific stores or products. Advertisers often advertise their products, for example, when celebrities share their favorite products or wear clothes by specific brands or designers. Celebrities are often involved in advertising campaigns such as television or print ads to advertise specific or general products.

• **Customer Generated Advertising**
  This involves getting customers to generate advertising through blogs, websites, wikis and forums, for some kind of payment.

• **Aerial Advertising**
  Using aircraft, balloons or airships to create or display advertising media. Skywriting is a notable example.

1.3 **Advertisements in India**

In Western countries, celebrity endorsements have limited impact on consumers while purchasing a product. However, in India, the scenario is a bit different as celebrities are almost idolized here, resulting in highly impactful and effective celebrity endorsements. We all know that there are many media of advertising any product. But in recent times celebrity branding is gaining popularity. There are many advertisements that we see daily in our lives that have some or the other celebrity trying to sell a particular product, on our television sets, radio, newspapers or billboards.

The positive acceptance of celebrity endorsements is quite pervasive and it’s not surprising that more than 50% of commercial ads portray them. These celebrity endorsements expedite brand-recall which influences customer behaviour and purchase. In 2014, a study conducted over 7 years found that the television commercial is still the most effective mass-market advertising format.

The popularity of celebrities in advertisements is decreasing by the day. People these days need more than just celebrities, to buy a particular product. They focus more on the quality and specifications of particular products before buying them. They just don’t blindly buy the product because their favorite celeb or movie star or television star is in the advertisement.

A new survey conducted by research agency IMRB (Indian Market Research Bureau) and public relations outfit should make marketers sit up and wonder that whether all those big bucks spent in roping in brand ambassadors are having the desired impact. The Celebrity Endorsement Survey, conducted over 2019 respondents across 12 metros and small towns in India, claims that 86 per cent of the respondents say the most prominent ad that they remember has a celebrity in it, but only 3 per cent feel that celebrity endorser of a brand affects their buying decision. However, small towns and South India are somewhat more inclined towards celebrities. Also 55% of the people don’t believe that the celebrities use the products that they endorse. It also states that 78% of the people buy products because of the quality of the product, whereas, only 3% of the people buy products because of the celebrity that endorses them.

The promotional features and image of the product is closely integrated with the personality of the celebrity, to convey a message to the customers to fix their choices while purchasing a product. Although this seems to be simple, the success of celebrity-endorsed products depends on the effective framework of the ad campaigning. The company uses the credibility of the celebrity, to make products creating a niche in the market and establish itself as a brand. The celebrity's role is most prominent in personifying the product to his/her image and helps it reach the customers.

Advertisers need to be cautious when using celebrity advertising, as they are not believable in certain instances and hence may not deliver the intended effect. This is certainly true of those celebrities who are seen as endorsing many types of products across a wide spectrum. It would seem that for some classes of products, person-on-the-street type of advertising might be just as effective if not more

So, than those that use celebrities.

2. **Research**

2.1 **Scope of the Research**

For the purpose of this study, only advertisements featuring Bollywood actors have been taken into consideration. Also, only advertisements in televisions, radios, magazines and newspapers have been considered.

This is a study done to check whether celebrity endorsements affect buying behavior of the people and to check whether there is a shift in their behavior because of celebrity endorsements.

This research uses both primary and secondary sources of data to come to conclusions.

The primary data was collected through questionnaires. The sample size of the survey was 300 people.

The questionnaire was circulated to people living in and around Nagpur, Maharashtra, India.

The secondary sources of data include information available on websites, other research papers and magazines.

Some of the findings of the research have been shown in the form of graphs and pie charts.
**Graph 1** Shows: Greatest Factor Influencing in Purchase of a Product

**Pie Chart 1** Shows: The Frequency with which People See Celebrities in Advertisements

**Graph 2** Shows: Whether the People Found the Claims Made by the Celebrities Believable

**Pie Chart 2** Shows: The Percentage of People who Believe that the Celebrity using the Product is Believable or Not.
Graph 3 Shows: The Likelihood of People buying a Product, which a Celebrity Endorses. (Ranks given)

Graph 4 Shows: The Probability of people Switching Products because of a Celebrity Endorsement

Pie Chart 4 Shows: Effectiveness of Ads with Celebrities over those without them

Graph 5 Shows: Whether People are Able to Associate the Ad with the Celebrity
2.2 Inference

1. Even though 20% of the people see celebs in advertisements everyday only 4% of them buy the products because of celebrity endorsements.
2. 9% of the people buy at least one product endorsed by a celebrity daily.
3. 84% of the people would not change their buying habits even if a celebrity endorses a product in the similar category.
4. Given all the data and the results of the survey conducted we can say that although having celebrities in advertisements increases the chances of retention to some extent, but it also increases the cost of the product for the consumers. We can also see that people don’t necessarily buy products because of the celebrity endorsing it but also other factors like price, need and brand etc.
5. Considering that it celebrity endorsement may be one of the factors in the consumer buying the product, it can safely be said that it is not the only or the greatest factor influencing them.
6. The research also tried to point out which were the celebrities that caught their eye the most. They were asked to name three celebrities that they see daily in advertisements. The names that came up were - Amitabh Bachchan, Shah Rukh Khan and Deepika Padukone.
7. People are not able to associate the celebrity with the advertisements because one celebrity endorses a variety of products. The people were therefore unable to distinguish the celebrity with the product they endorse.

3. Conclusion

People don’t believe such ads because the celebrities these days are endorsing any product as long as it pays a lot. People tend to lose faith in such products and in the long run the actor. The popularity and the credibility of the actors play a very important role in convincing people. Since, actors these days endorse a lot of products people are losing their faith in them.

Even though the impact of celebrity endorsements focus on business growth, the brands without celebrities and popular personalities have been equally received by the customers. The attractive advertising campaign and product tag lines and captions have a major influence on the customers to avail these products. Despite dependence on celebrity endorsements, few brands have embedded their image on consumers’ psyche as the most consistent source. This is particularly strong in few aspects like:

- Body-care products like Himalaya and Dove
- Cosmetics like VLCC products, Lotus
- Beverages like Tata tea, three roses tea
- Washing powders and detergents like Ghadi, Tide, and Ariel
- TV sets like Onida

The customers buy the products on the basis of the product’s quality and the consistency of the quality.

So, what the marketers need to do is, find a way that is more suitable. Have advertisements that are meaningful from the point of view of the consumers and do not add to the cost of the product. Because the celebrities endorse more than one product, brand recall for people becomes difficult for the consumers.

But, we can see that celebrity advertising is not going to go away any time soon but the impact on the buying behavior of people because of it is reducing considerably.

Taking a lesson from the above-mentioned brands, marketers can also have normal people, who do not belong to the glamour industry, in their advertisements. The marketers need to make ads that are more believable and use celebrities in their ads more carefully and after a lot of thought.

4. References


5. Questionnaire

Name:________________________
Age:_______
Sex: a) Female b) Male
City:_____________________
State:____________________
The term “Celebrities” in the questionnaire, only refers to actors and actresses in Bollywood
Answer the following questions keeping in mind celebrities in ads that you watch on televisions, radio, magazines, billboards and newspapers-

Q1) What is the greatest factor you consider while buying a product?
1) Price
2) Brand
3) Celebrity endorsements
4) Need
5) Other

Q2) How often do you see celebrities in advertisements?
1) Once a day
2) Twice a day
3) 3 to 5 times a day
4) More than 5 times a day

Q3) When was the last time you bought a product because it was endorsed by a celebrity?
1) Last week
2) Last month
3) Last year
4) Other

Q4) Are the claims made in advertisements having celebrities believable?
1) Very believable
2) Not believable
3) Believe in some of the claims
4) Can’t Say

Q5) Do you think that the celebrity using that product is believable?
1) Very believable
2) Not believable
3) Believe in some of the claims
4) Can’t Say

Q6) How well do ads which have celebrities catch your attention?
1) Very well
2) Well enough
3) Not very well
4) Not catchy
5) Don’t remember

Q7) On a scale of 1 to 10 what is the likelihood of you buying a product which is endorsed by a celebrity? (1 being the lowest)
Ans) _____________

Q8) Would you switch from you regular products to a new product endorsed by your favourite actor/actress?
1) Yes
2) No

Q9) If given a choice would you buy a product which is not endorsed by a celebrity than one which is not?
1) Definitely
2) Maybe
3) Doesn’t matter

Q10) Do you think that ads having celebrities are more effective than those which don’t?
1) Definitely
2) Maybe
3) Doesn’t matter

Q11) Do you think ads having real life bollywood couples are more effective than those which don’t?
1) Yes
2) No
Q12) On the top of your head name 3 celebrities that you see in advertisements daily?
Ans) _______________________________________________________

Q13) How often do you buy a product which is endorsed by a celebrity?
1) Daily
2) Once a week
3) Twice a week

Q14) Are you able to identify the product because of the celebrity associated with it?
1) Never
2) Sometimes
3) Always