

Major Project Report on

EFFECT OF CELEBRITY
ENDORSEMENTS ON CONSUMER
BUYING BEHAVIOUR

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2K17/MBA/028



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CERTIFICATE FROM INSTITUTE

This is to certify that Project Report on “Effect of Celebrity Endorsement on Consumer Buying Behavior” is a bonafide work carried out by “Himanshi Dwivedi” who is a student of MBA 2017-19 Batch. The project is submitted to Delhi School of Management, Delhi Technological University in partial fulfilment of the requirement for the award of degree of Masters of Business Administration.

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DECLARATION

I, Himanshi Dwivedi, student of MBA 2017-2019 of Delhi School of Management, Delhi Technological University, Bawana Road, Delhi-110042, declare that the Project on “Effect of Celebrity Endorsement on Consumer Buying Behavior”, submitted in partial fulfilment of Degree of Masters of Business Administration is the original work conducted by me. The information and data given in the report is authentic to the best of my knowledge. This dissertation report is not submitted to any other institute/university for award of any other degree, diploma and fellowship.

Himanshi Dwivedi

Place:

Date:

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Himanshi Dwivedi

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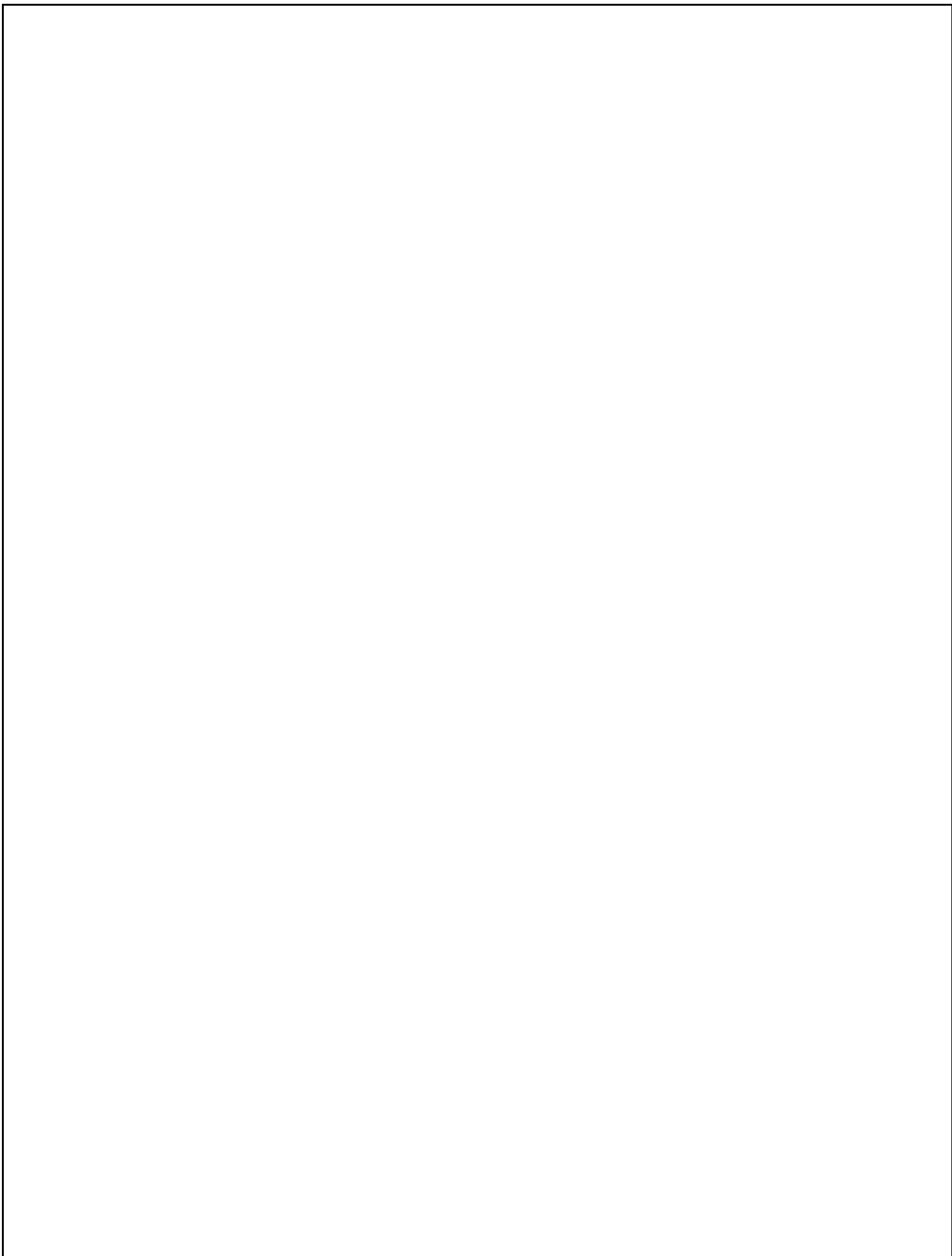
MBA (Marketing and HR)

EXECUTIVE SUMMARY

This Research study focuses on the celebrity endorsement in various sectors and the impact it has on the consumer buying behavior, the factors that influence the product buying decision of the consumer and their perception regarding a certain product or the brand of the company over the years. It also focuses on the differentiation between different mediums through which celebrity endorsement takes place and also the difference between advertisements with celebrities and without celebrities. It is a descriptive research and the research on the consumer perception is done with the help of a structured questionnaire where total number of respondents are 100.

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1.INTRODUCTION

1.1 Background to the Research

Celebrities have always been treated as a role model. People want to become like them and experience life like they do, by using the products that they use. Many Brands and companies leverage this situation to their advantage by getting celebrities endorse their brand in a way that people would want to buy it. Celebrity endorsement has been the popular choice for them to connect with potential customers and create awareness for them in the market. This attracts the customers and ultimately increases the company's productivity and profit. From last 150 years advertising is changing in different phases from the classical to modern. Now a day it's the best strategy used by marketers to influence customers by showing celebrities with their products. Celebrity endorsements can be used by the company to increase the Brand awareness, Brand Image as well as Sales of the Product or service.

1.2 Celebrity

Celebrities are those people who are well known by a large number of people. They get a lot of public attention for the work they have done. Celebrities can be from any field of work such as actors, musicians, sportsperson, politician, models, designers, writers, comedians etc. They have special uniqueness and features like magnetism, unusual standard of living or some special skills that are not common in other people.

1.3 Celebrity Endorsement

Celebrity branding or **celebrity endorsement** is a form of advertising campaign or marketing strategy used by brands, companies or a non-profit organization which involves celebrities or a well-known person using their social status or their fame to help promote a product, service or even raise awareness on environmental or social matters. Celebrity endorsement in advertising is grounded in a common marketing assumption:

Corporations have realized for some time that celebrity endorsers can enhance advertisement credibility and liking as well as brand image, awareness, and purchase behavior. Celebrities have built-in images and followers, both powerful influencers to potential consumers.

It is a channel of brand communication in which a celebrity acts as the brand's spokesperson and certifies the brand's claim and position by extending his/her personality, popularity, status in society or expertise in the field to the brand. In a market with a very high proliferation of local, regional and international brands, celebrity endorsement was traditionally thought to provide a distinct differentiation.

Celebrity endorsement is a million-dollar industry today. In this modern era, the world of advertisement undergoes a change, from classical ways, it has converted to take a modern route. This modern route requires marketers to develop strategies incorporating the elements of emotions, humor etc. the main purpose that lay behind these strategies is to get brand exposure, attention, interest, desire and action. And in order to make these strategies into success, marketers employ famous celebrities because celebrities have the power to create a greater impact on the consumers buying behavior. Since some of the celebrities have charismatic personalities and they enjoy public recognition because they possess distinctive qualities like trustworthiness and attractiveness. Many big brands make use of the concept of celebrity endorsement as a marketing communication tool. As consumers, we are surrounded by brands; we get exposed to millions of personalities in billboards and television. Every brand tries to capture our time to inform us about what they have to offer to us and teach us about the different attributes of the product. And this is where the challenge lies. The marketers have to delve what will retain our attention. In order to achieve this, celebrity endorsement is put into effect. But this entire process of hiring celebrities and doing the product-celebrity match is not as simple as it seems. The design of such kinds of campaign and then planning how to make these campaigns a success requires a long procedure of an in-depth understanding of the product, the choice of a celebrity, the objective of the brand and then associating the celebrity with the brand. Celebrities not only serve the purpose to create some kind of

attention and also to attain the objective of high recall and recognition. And for that to happen, marketers should keep in mind the image of their product because consumers only wants to consume that product or brand which has the maximum fit with their own personalities/image and the celebrity endorser fits in between these two connections and binds the image of the product close to the consumers by transferring meaning to the product. Also, marketers believe that when employing celebrities, they succeed in creating an aspiration in consumers mind to purchase what their favorite celebrities are endorsing because in this glamorous celebrity's world. Celebrities are often perceived as idols by many and people want to follow their lead and try out those products which have the touch of celebrities to them as celebrities make those products more alluring and desirable. In the world of advertisement, in order to stand out from the clutter, celebrity endorsement is considered the most effective tool that will do the job. This technique of involving celebrities with a brand is a winning formula to build the brand and enhance its value. However, it is relatively easy to select a celebrity for a brand but rather very hard to build a strong link between the brand and the endorsement. And therefore, it is for this reason, it is rightfully said that celebrity endorsement is a two-edged sword, if properly dealt with, it can do wonders for the company and if not handled properly it can destroy the image of the company and the brand itself.

There are two types of celebrity endorsements: paid and unpaid. In paid celebrity endorsement, the celebrity is paid to come and promote the brands product or service. Unpaid endorsement is when a celebrity just likes a product and is wearing for example a Nike shirt while taking a picture of themselves and posting it on social media, leading to possibly having some followers go out and buy the same shirt from Nike. In today's competition, it's all about the image you portray and credibility. You want to choose a celebrity who will add to your image and the celebrity wants to choose to promote brands that they experience will help them stay credible and true to their style. So why do brands need celebrity endorsement? When companies are setting goals, they need to think about how to reach those goals. If the goal is to increase the amount of people who see your posts and can recognize your brand, one of the best ways to do that could be by approaching a celebrity or influencer. Not only will an influencer have a wide network

but everybody in that network have their own networks and so on. This means that if you get the celebrity to like your product and they talk about it or post it on their social media account, their followers will see it and be most likely at least a little bit in intrigued by that product and go do their own research on the subject and possibly will buy the product or service themselves and tell about it to their friends. In this day consumers are ignorant towards billboards and commercials by being self-sufficient. They don't trust a pretty face by the side of the road; people want to hear honest opinions about brands. This is one reason why YouTube video's where the youtuber tries a new product is so influential. In the beginning they say that the video isn't or is sponsored and they give a review about the product or service. Most reviews however are not paid and the youtuber is free to say that they hate a product. One other way celebrity endorsement helps a brand is when you don't control the face of the campaign too closely. When the person has a chance to say what feels right for them. They can come up with content specifically for this one audience better than an advertising agency as they know their own community much better. When you write a script for your influencer or celebrity it becomes fake and people will know. Fake doesn't work in this world anymore where everything has to be see-through and original. Many companies use the four P's in marketing. It is also known as a marketing mix when companies choose which approach, they will take when launching a new product or service. The four P's are: price, product, place and promotion. Celebrity endorsement falls under promotion and it is mostly used at the very beginning of a products life. When launching a new product, you want as many people as you can to know about it which means that a celebrity could be the best option for some.

History of Celebrity Endorsement

Celebrity endorsement as a concept is as old as the first products but it became a real thing in the 1920s all the way until today. Back in the day it was mainly used to promote tobacco, beauty, fashion and beverages. Celebrity endorsement was used in all forms of media including radio and television. In 1980s brands started giving celebrities their own products, for example Nike doing a line of sneakers for Michael Jordan, which is still

today being produced as Nike Air Jordan. In 1990s celebrities got more say in what and how they promote as well as sometimes ending up being co-owners of a company. Since the 2000s companies have slowly started to switch big megastars for influencers. Influencers are people who are not as popular as a megastar but influence the people around them more than a megastar. Most companies find that having both in a campaign works the best. A megastar like Justin Timberlake can bring you views and raise brand awareness but having a local Instagram celebrity with maybe a million followers or even only half a million followers might be more efficient in selling your product to more people. In the past few years people want to see more authentic and see-through marketing. They want to know what people actually think about a product or brand, so brands and celebrities have formed longer partnerships and alliances and work more together to reach larger masses. Due to internet and everything being mobile celebrities are easier to get a hold of and because there are no printing costs for example when you post something on social media even smaller businesses have the chance to work with famous people and influencers increasing their brand awareness. In the past couple of years people have been able to make themselves famous at least to an extent. Logan Paul started recording videos onto an app called Vine in 2014. In 2016 he started his vlogging channel on YouTube and less than a year later he has 10 million 16 people subscribed to his channel and wins a teen choice award. Vlogging is the new blogging. People record their lives on camera daily and upload it onto platforms like YouTube for other people to see. Another YouTube star called Bethany Mota managed to become famous with beauty videos all the way to being invited to take part in Dancing with the Stars. She was also voted one of the most influential teen in 2014. (Forbes 2015) The social media has endless possibilities for the younger generation to make a difference in their lives by being connected and sharing their lives.

Celebrity Endorsement Today

Today's marketing is all about being see-through and stand out from the competition. Over the growth period of social media companies have had the chance to come up with different ways to stand out from everyone else. Back in the day it was logos or slogans,

now its online presence and hashtags. In this day and age people love to talk and they love content. They want to feel like they are gaining something from following a brand online. The talking is more even now too. Companies can reach their customers instead of waiting for customers to contact them. The goal is to increase the followers' engagement and brand awareness. This can be achieved through social media. (Ryan 4-5, 100-101) You can also see brands like Abercrombie & Fitch who encourage customers to take pictures of them wearing the brands clothing and posting them on social media using the hashtag that they use for the brand. This makes customers more loyal as they can be featured on the brands own social media increasing the customers own popularity and getting more followers. It's all a competition to see who has the most followers. However, companies forget nowadays is that it doesn't matter in the end how many followers you have or how many like a picture gets because if those followers and likes don't convert into sales your company will die. Companies are hiring people to take amazing photos for them and having people search online what potential clients are saying in conversation in order to meet the wants of these people better. Yes, having a good online presence makes people remember you but it doesn't mean that they will automatically go buy the product you post a picture of. In that sense social media is a hard platform to master.

Examples of Celebrity Endorsement around the World

Some celebrity endorsement campaigns go extremely well and the collaborations can continue for years. However sometimes they fail or there is a breach of contract from one side or another. Here are some examples from around the world.

One of the most successful campaigns in the 21st century was Britney Spears and Pepsi. Since 2001 Britney has appeared in many Pepsi commercials. Her collaboration with Pepsi inspired another artist to collaborate also with Pepsi such as Nicki Minaj, Christina Aguilera and Beyonce. The campaign with Britney Spears was even featured in major sports events like World Cup.

Sports brands and athletes are a tight knit community. It wasn't a surprise when Nike and LeBron James signed a contract making sure that James always has Nike to play in. James even has his own line of sneakers, which Nike mass produced so that every fan can have their own.

Another major sports success collaboration was made in 2013 between David Beckham and H&M. Most clothing companies use celebrities to appeal to buyers who follow athletes. David Beckham was the face of the line that was advertised during the 2014 Super Bowl.

Adidas went in big when signing a contract with Kanye West. West was allowed to design a pair of shoes. These shoes became a huge hit among other celebrities as well as upper middle-class teens and young adults, as one pair of Adidas Yeezys cost over 700 dollars. The first wave of Yeezy's was released in 2015. The collaboration bought Adidas sneaker market from 1% to 30% and the sales contributed to a 5% company growth in North America. The collaboration doesn't seem to be slowing down however West has given hints that he might be looking for a new partner in Vans soon.

Jessica Simpson has been the face for Proactiv for several years. She says that this product really helped with her acne skin. She helped launch the product and sales have increased significantly with her promoting it. Proactiv is said to pay 2-3 million dollars per year for top celebrities for their time.

A new collaboration was formed between Rihanna and Puma. Rihanna launched a collection called Fenty. She has recently expanded her Fenty brand to Fenty beauty releasing in September 2017 her line Fenty Beauty, featuring makeup for every skin shade. She 18 launched 40 foundations and several contour sticks and high lighters. Rihanna is said to be planning on releasing a new ready-to-wear collection in 2018 in collaboration with Puma. Sometimes collaborations end short because one or the other party violates the contract or otherwise expresses indecent actions in public. This is what happened to Nike and Manny Pacquiano. Pacquiano had made an indecent comment about gay people so Nike had no other choice but to drop him.

Rihanna also run into trouble when Nivea decided that she was too sexy. Nivea dropped her because according to the new CEO, she didn't share the company values. Nivea was very keen on promoting family, trust and reliability, which the CEO didn't believe was a suitable match with Rihanna being the face.

McDonalds, Nutella and Coca-Cola all dropped the Lakers star Kobe Bryant in 2004 after he was accused of rape. The charges were eventually dropped but his reputation had already suffered the consequences.

Sometimes the celebrity does something bad but it doesn't necessarily end sponsorships. Tiger Woods went through a rough patch and has this year been arrested for a DUI, suggesting his troubles aren't ending anytime soon. He was caught in 2009 in a sex scandal. Gatorade and AT&T were quick to drop the golfer. However, Nike continued to sponsor him and despite the DUI this year they still continue to sponsor Mr. Woods.



Fig 1.3.1



Fig 1.3.2



Fig 1.3.3

1.4 OBJECTIVE OF THE STUDY

The aim of studying the effect of celebrity endorsements on the consumer buying behavior are:

- The impact celebrities have on the consumer buying decision.
- To find out the effectiveness of celebrity endorsements.
- To find out the factors in a celebrity that influences the buying decisions of the consumers.
- The types of celebrities that influences the purchase decision of the consumers.
- Types of celebrity endorsements and different mediums and sectors in which celebrity endorsements take place.

2. LITERATURE REVIEW

Advertisers regularly practice the strategies intended to attract customer's interest to their message and to differentiate their offerings from rival products with the anticipation of influencing buying behavior of the customer.

The use of famous persons in promotions is traced back to nineteenth century and these general promotional practices have revealed a large quantity of intellectual as well as realistic considerations. Mainly academic analysis of celebrity support encompasses the sphere of spokesperson credibility and charismatic representatives, and recommends that famous persons exercise their impact on customers through apparent traits.

Celebrities advertising products is nothing new, in fact it has been part of our lives for years. The use of famous persons in promotions is traced back to nineteenth century and these general promotional practices have revealed a large quantity of intellectual as well as realistic considerations.

The first celebrity endorsement dates back to the 1760's, when the term "brand" still hadn't been coined yet. Josiah Wedgwood, a British entrepreneur, created a tea set for Queen Charlotte. Soon, everyone had heard about the tea set and called it "*Queensware*", pointing out its elegant design and sophistication. This had set him apart from competition, and monetized significantly while creating a respectful brand image.

Back in the 2000's, you couldn't sit through a commercial break without seeing the teen pop icon of that time, Britney Spears, endorsing Pepsi (a deal which brought her at least 50 million dollars).

The Pepsi legacy was later continued by the most famous celebrity we know of, Beyoncé. She was paid millions to promote the carbonated drink, which outraged health advocacy groups. Many concerned people questioned her ethics, as to why she was

supporting a drink that plays a major role in causing obesity. Let it sink in that she was part of Michelle Obama's "*Let's Move*" fitness campaign before she signed with Pepsi. But as long as Pepsi sold more products and Beyoncé received her fair share of the deal – they didn't care much.

Earlier this year, Selena Gomez has been named the new face of the luxurious brand Louis Vuitton. The ads were rolled out via Instagram, which sure was a canny move since Gomez is the most-followed person on Instagram with a huge, global fan following. The post scored more than one million likes in the first two hours it was posted.

Jennifer Aniston is another celebrity with "star power" as she tops the list of celebrity endorsements. Known for her youthful complexion, she has been endorsing Smart Water since 2010. There's actually an ad that says "My Secret Revealed." Sure.

With the growing importance of social media in a shopper's purchase journey, companies are evolving and stepping up the endorsement game across different channels. Just take a look at McDonald's strategy. They developed a surprising live experience in collaboration with the singer Jessie J, who boarded contest winners on a bus and performed her famous hits for an hour and a half. McDonald's live streamed the entire performance on all of their social media channels.

The Psychology behind Celebrity Endorsements and Consumer Decisions

A Taiwanese study shows that consumers show greater recall of products that have been endorsed by celebrities – regardless of whether they are actual fans or not. The human brain recognizes celebrities similarly to how it recognizes people we actually know. The effect is that, if consumers happen to be fans, they place a higher value on products that celebrities are endorsing – it is as if they are receiving advice from a valued friend.

With celebrities vouching for or promoting their products, brands can increase awareness, trust and familiarity, which are important variables in the purchase decision-

making process. Consumers feel more sympathetic towards a brand, if their products are promoted by a celebrity they admire or relate to. It's a simple psychological effect: Subconsciously people believe that purchasing a product that's promoted by a celebrity they admire, will allow them to emulate the celebrity's desired traits or attract similar people into their lives. They will associate the celebrities' success, beauty, athletic skill etc. with a particular product.

A recent study by the University of Arkansas in collaboration with the Manchester Business School in London found that consumers (ages 18-24) take on an active role in developing their identities and appearance based upon celebrities. They are more susceptible to celebrity brand endorsements than other age groups. Research by Nielson conducted in 2015 broke down the level of trust in advertising formats by different generations. It found that celebrity endorsements resonate more strongly with Generation Z (ages 15-20) and Millennial (ages 21-34) audiences.

Brands are taking advantage of that by increasingly utilizing the social media communities of celebrities. Social media is a way for consumers, in particular those of younger demographics, to engage and build intimate connections with the celebrities they follow, making it THE place for these celebrities to plug a company or a product on their personal Social media accounts. Social media celebrities, such as Kim Kardashian or Justin Bieber, can be paid \$20,000 for a single, 140-character tweet.

However, as these kinds of product placements disguised as normal posts can be regarded as a deceptive form of marketing, there are efforts underway to help identify these sponsored posts as ads.

Celebrity endorsement is generally seen as a viable option for brands to increase awareness, build credibility and promote products. Around 14-19% of advertisements aired in the US featured celebrities that endorsed products and brands. A number that is even higher in other markets. Nike alone is said to spend \$475 million annually on getting athletes to endorse their brand. Marketwatch reports that a simple announcement

from a brand signing a celebrity or athlete can cause stock prices to rise slightly and increase sales by 4% on average.

After Chanel signed Nicole Kidman in 2003, it was reported that global sales of the promoted Chanel's perfume increased by 30%. And when Nike and Tiger Woods inked an endorsement deal in 2000, Nike's market share went from 0.9% to 4% in 6 months. However, after Nike decided to keep Woods despite his highly publicized scandal, the company suffered a loss of \$1.7 million in sales and 105,000 customers.

While celebrity endorsements certainly help to attract consumers, its direct influence on the consumers' purchasing decisions are inconclusive. In the book *Contemporary Ideas and Research in Marketing*, researchers found that 85% of people surveyed said that celebrity endorsements enhanced their confidence in and preference for a product, but only 15% said that celebrities had an impact on their purchase decisions. Even consumers are unsure about the influence of celebrity endorsements with 51% of consumers saying that they have little to no impact on their purchasing decisions.

Creating Brand Awareness

Endorsement can be considered as a means of conveying the image of the brand through the use of an appropriate celebrity considered to be the brand ambassador, who associates himself and this persona with the brand or product to successfully launch and promote the product in the market Hiam (2009). With today's market situation being invaded by many competitors both local and global player's celebrity endorsements is believed to provide a distinct advantage in the market. Increasing companies in the Asian continent have chosen to endorse their brands with a successful and popular figure but there is not much efficiency as that of the Nike brand (Morgan & Pritchard, 2001). Further the author explains few reasons as being

1. Celebrity Attractiveness: This principle simply emphasizes on the fact that better results have been achieved and witnessed which are directly resulted from the attractive

looks and physic of the endorser and it is believed that the attractive looking endorser has had better influencing power on the minds of the consumers.

2. Celebrity Credibility: According to this principle, there is a wider ready acceptance among the consumers with endorsers with a true and credible image, if the endorser has a clean image amongst the eyes of the people the consumers are unhesitant in accepting the brand associated with such a personality. This factor helps in establishing a product or brand in the present competitive market.

3. Meaning transfer between the celebrity and the brand: According to this principle there is direct relation involved with the success of the brand and the image or qualities of the celebrity and the brand or product. The compatibility in terms of a match between the product or brand and the personality and qualities of the endorser plays a vital role in deciding the fate of the collaboration.

Don't Lose Sight of the Products You Sell

As consumers are becoming better educated and have faster access to information, blind faith in celebrity endorsement is beginning to wane. They will be attracted to a brand because of a celebrity but they will quickly move away if the product does not perform. It's the quality of your product that will keep consumers coming back, not a celebrity link. Consumers are more aware of what they are buying – despite David Beckham telling us how good H&M long johns look and fit. People have follow-up questions and want to know if the product that's being sold to them by a celebrity is actually good. Will their money be well spent? Are there better alternatives? Is it the best product for them and their situation?

Branding wiz Charles R. Pettis III said it well, “A brand is the proprietary visual, emotional, rational and cultural image that you associate with a company or product.”

Brands that lose rationality, emotional value, visual & cultural image and keep on pushing products that are without substance, distance themselves further away from their initial brand image.

A brand needs to tell the consumer why a product makes sense for them as individuals and what problem they can solve with it, not solely rely on a real-life Barbie doll, athlete or pop-culture icon. If they can't, their products will lose value over time, and consumers will be the first ones to turn their backs.

Giridhar (2012) study analyzed the factors that motivate and affect the purchase attitude of consumers at Shimoga and also studied the consumer perception on endorsement of celebrities through advertisement. Data has been collected with the help of structured questionnaire from 50 respondents by using convenience sampling. The study found that celebrity endorsement enhances product information and creates awareness among consumers. It helps them to recall the brands of the endorsed products. It also revealed that the celebrities convincing endorsement motivates them to materialize the purchase of durables.

Pugazhenth (2014) examined the impact of celebrity endorsement on the brand image perception and attitude of college students. This study was conducted in Coimbatore City and is focused on the college students. Respondents include undergraduates and postgraduates of almost all disciplines. 1200 samples were collected from the college students of Coimbatore region based on one-to-one survey. The study revealed that the purchase behaviour of college students could differ based on their life style. Demographic attributes of the students are expected to affect their purchase behavior, which in turn is expected to affect their attitude towards celebrity endorsement in general. The results of the study revealed that there exists strong association between gender and price consciousness. Gender and age of the college students attributed to the quality consciousness behavior. Age and current status of the youth affect the importance given by them to the social values.

Randhawa & Khan (2014) examined the consumer perception on celebrity endorsement of FMCG Products and the impact of change in brand endorser on product image. For this purpose the data was collected with the help of pre structured questionnaire through convenience sampling from 50 respondents, percentage method is used to analyze the data. The results showed 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. Most of the respondents believe that frequent changes in celebrity for advertising the product reduce the purchasing decision of customers.

Patel (2015) examined consumer attitude towards celebrity endorsement with special reference to film stars versus sports star as Celebrity Endorser. The study surveyed 711 respondents i.e. MBA/MCA students of south Gujarat region with regard to their attitude towards celebrity Endorsement. Data were collected from both primary as well as secondary sources. Primary data were collected through a structured questionnaire. The findings showed that there is no difference in consumer's perception about credibility of Celebrity based on type of Celebrity i.e. whether it is Film stars or Sports stars and there is a difference in consumers' attitude towards Celebrity Endorsement based on gender.

2.1 Celebrity Endorsement in India

Celebrity endorsements have been prevailing in India for a very long time. It is not a new idea, in marketing. Back in 1941, Leela Chitnis was the first Indian actress to endorse the soap brand, Lux but the real growth of celebrity endorsements in India happened in the late 80s when a number of stars like Tabassum (Prestige Pressure Cooker), Jalal Agha (Pan Parag) and Kapil Dev (Palmolive Shaving Cream) started endorsing brands. As per GroupM's Showbiz marketing report 2017, the celebrity endorsers' market in India has grown steadily from 665 celebrity engagements in 2007 to a total of 1660 in 2017. In the age of digital disruption, there is an increasing challenge for brands to capture people's time and focus and according to the report, marketers believe that brand ambassadors provide a higher degree of consumer recall. This is based on a pretty simple logic. India is a country where people are star-struck by film stars, cricketers, politicians. People idolise them and so, when they are seen in an advertisement promoting a product, it grabs all the eyeballs. Today we have the likes of Shah Rukh Khan, Amitabh Bachchan, Deepika Padukone and Virat Kohli endorsing brands and the majority of India's population is familiar with most of the mainstream celebrities. Finding a way to communicate and engage with the audience is the backbone of any brand's strategy and celebrities become the voice of that communication. However, it is no longer just about film stars. While movie celebrities still seem to bag the largest number of deals, social media stars and sports personalities are also cutting into the celebrity endorsements pie. Social media has undeniably changed the game and given rise to the influencer. According to the report, today we have a plethora of self-styled celebrities, who have earned a name for themselves through blogs and other e-platforms like YouTube, Instagram, Twitter and Facebook. They are influencers and brands use them to create a word-of-mouth advertising across categories such as fashion, food, fitness, beauty, music and so on. While in a celebrity endorsement, the celebrity is merely the face of a brand message, in influencer marketing, the influencer is perceived to be the creator of the message. Take the example of Lily Singh (IISuperwomanII) who was signed on by Pantene as the brand ambassador this year. Lily is an online sensation and her hilarious

videos have garnered over a billion views collectively. Clearly, she has a large fan base and is capable of generating worthy conversations. Similarly, Indian sportspersons are becoming hugely popular with brands. The report states that over the last 10 years, sports personalities in India have developed a deeper association with brands, services, and companies through investments, product designs and licensed deals. While Indian cricketers have always been big on endorsements, the last decade also witnessed the rise of non-cricket sportspersons such as Vijender Singh, Sakshi Malik, PV Sindhu and Sania Mirza, especially for categories that require fresh faces.

From posting personal pictures to chatting with their film colleagues, Bollywood celebrities have become increasingly gung-ho about social media and thanks to this, brands today have found a whole new way to drive home their message. As per the report, nearly 1 out of 10 social media activities by Hindi film celebrities involve promoting a brand. The report states that, from the latter half of 2007 to 2017, brands have started focusing on an online opinion or a YouTube review to add credibility to their brand value. Furthermore, a celebrity's Twitter following or Facebook fan page strength is a huge pull for brands today. With even the second and third rung actors commanding millions of followers on platforms such as Instagram, advertisers and brand managers recognise the importance of leveraging their online presence to attract more and more consumers.



Fig 2.1



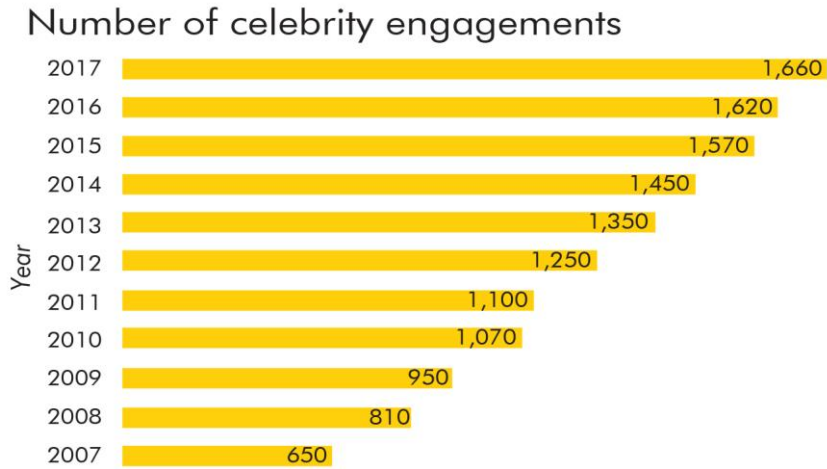
Fig 2.2

Any brand will need to consider other factors in their candidates aside from their star power such as the probability of risk and brand fit. The report reveals that the top few influencers of India possess a number of qualities that make them desirable as a brand endorser. These qualities are :

- Credibility and market perception: knowledge and skills that the celebrity stands for.
- Attractiveness: likeability, familiarity, similarity of the celeb with the brand.
- Star Power: the mass appeal which affects the consumers' buying behaviour
- Relatability: consumers should relate to the ambassador.
- Return on Investment: the 'what's in it for me' question for the brand company.

Endorsements today are indeed moving from mainstream celebrities to influencers. Going forward, the report predicts a continuous shift in focus from celebrity brand ambassadors to key opinion leaders and given the media fragmentation today, brands may choose between using a single ambassador across all channels or have multiple faces for a campaign. A celebrity's presence and following on social media is also a major factor for brands to consider when deciding on who to engage with. In fact, social media will continue enabling brands to measure the effectiveness of these celebrity-led campaigns as it gives instant and sometimes, real-time feedback which makes it easier for brands to calculate ROI sooner

Fig 2.3



Celebrity-led endorsements have steadily gone from Amitabh in 2007 to Aliaa in 2017

Source: ESP Properties

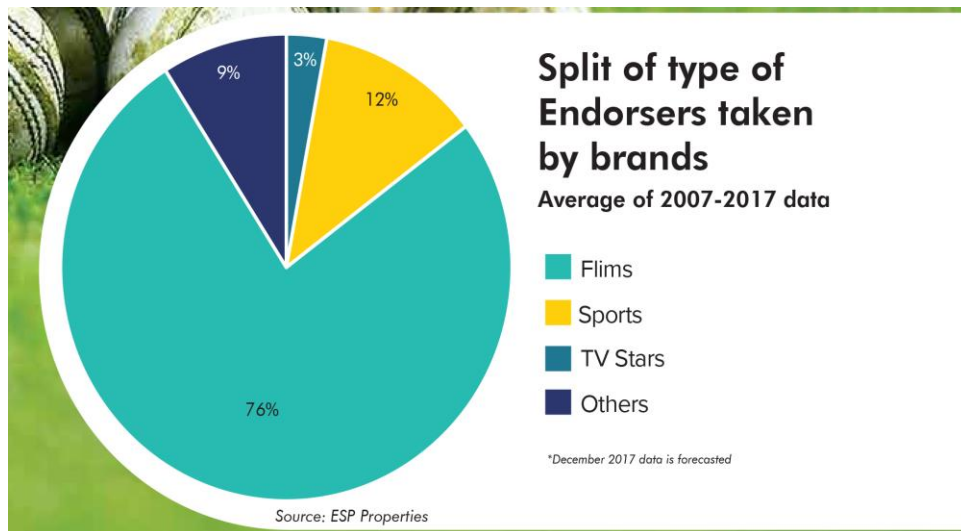


Fig 2.4

2.2 Celebrity endorsements in social sector

The not-for-profit sector is undergoing a significant burst of enthusiasm over the potential uses of marketing approaches. In particular, using celebrities to raise awareness and funds for socially worthy causes is a popular technique these days. To date, many celebrities have supported organizations that address global health issues, and have been actively involved in attention from policy-makers. Indeed, most modern celebrities seem to include the role of health advocate in their job description. While some celebrities support a disease they or a loved one is stricken by, others raise public awareness for diseases they have very little experience with by being spokespersons for non-profit organizations. Moreover, many celebrities start eponymous charities and launch web sites to raise money, with the goal of helping scientists fund treatments and cures.

campaigns that strongly impact the public's awareness, gathering millions of dollars in donations for research or in a relevant field, the consumer's attitude tends to be positively influenced toward the product, and consumer

Admittedly, celebrity endorsement is also a prevalent communication strategy in the field of advertising for profitable organizations. Approximately 20% of television advertisements in the United States feature a renowned person as an endorser. Celebrity endorsers, referred to as "any individual who enjoys public recognition and who uses this recognition on behalf of a consumer good by appearing with it in an advertisement", are frequently used to enhance products' advertising effectiveness.

The positive effects of celebrity endorsers have been documented in terms of enhancing message recall and brand recognition, generating favourable attitudes toward ads and brands, and making the ads more effective by appropriately matching celebrity endorsers to specific brands. In particular, if a celebrity with a high level of expertise (i.e., knowledge, experience, and skills) endorses a product purchase intention rise. This is part of what elicits a good fit between the product and the celebrity.

Priyanka Chopra is known for her contribution to social causes, particularly those involving children. She has been associated with a number of NGOs to raise awareness about ways to improve the condition of the girl child in India.

She has also been a part of the UN's global "Girl Up" campaign, which envisions a world where all girls, no matter where they live, have the opportunity to become educated, healthy, safe, counted and positioned to be the next generation of leaders. Priyanka Chopra is an ideal voice to support UNICEF's work in India.

She has been associated with UNICEF for almost a decade. In 2010, she was appointed a UNICEF National Ambassador, tasked specifically with promoting child rights and adolescence. She has partnered with UNICEF to feature in videos and advertisements aimed at building awareness for child rights and the need to create healthy environments for children, filled with opportunities to blossom.

Among the key UNICEF campaigns that she has been associated with is 'Deepshikha' campaign. The campaign aims at strengthening adolescent and young women's groups through imparting to members life skills, enterprise skills and networking skill training. The "Deepshikha" campaign has helped 65,000 girls and young women in the state of Maharashtra develop entrepreneurial skills and build self-confidence through financial education and leadership training.



Fig 2.5 Source: Google Images

2.3 Celebrity Endorsements on Internet

Celebrity-brand partnerships are nothing new in marketing, but they have evolved, particularly as younger audiences shift their trust from traditional celebrities to social media influencers. There are around 2.5 billion active social media users around the world, which demonstrates the incredible number of voices being broadcast over the internet today. But before social media entered our lives, “at one point in time, there were certain categories of people that could be used to reach an audience, and those were the traditional celebrities. But platforms like TV channels and social networks allowed other people to not just have a voice, but have a voice with impact because their audience could follow them.”

Social media is expanding quickly to new areas in the world, engaging more users than ever before. Customers also these days are very aware of what they buy. Being see-through and authentic is very appealing to customers in these times and it is intriguing to see how companies have innovated themselves in order to be more appealing to customers. One of the oldest marketing tactics has been to hire a celebrity to promote products and services. Even though customer behaviour is changing, companies are using celebrity endorsement not only in traditional marketing but also in social media marketing.

Americans check their smartphones around 46 times a day and 65% of Americans were on social media already in 2015. The numbers have only been increasing since and over 70% of global population will have a smartphone by the end of 2020. In total 31% (2.3 billion people) of the world’s population are connected and using social media sites. This opens a whole new marketing game for companies to benefit from.

In the last several years there has been a rapid increase in social media activity. More people are joining social media sites on their smartphones and using them daily. Brands are trying to come up with ways to keep up with the demand for on the spot news and access to online stores. Most of the top 100 brands have apps to keep customers engaged

but also to increase brand awareness in this world of logos. People are becoming more aware of the products they use and want to trust the companies they buy from. Companies need to build trust and loyalty between themselves and customers. Being present on social media sites and adding pictures or videos makes the company more relatable and thus increasing the trust.

Celebrity endorsement has been around for a very long time and companies have used it as a way to get more potential customers interested in their products. Now when people are starting to be very aware of what they buy and who to trust it is becoming increasingly difficult for companies to find new ways to approach customers. Social media marketing infused with celebrity endorsement is very widely used nowadays. Celebrities are used to draw more attention to the brand and its products.

Various Social Networking Sites are used for celebrity endorsements like:

- Facebook
- Instagram
- YouTube
- Twitter
- Snapchat/Pinterest

3. RESEARCH METHODOLOGY

Title

To analyze the effect of celebrity endorsements in consumer buying behavior.

Title Justification

The study is helpful for us in knowing about the various kinds of behaviors shown by consumers and their preference when they watch a celebrity endorsement. It also helps us in knowing what are people's preference when it comes to celebrity endorsements and what are the factors that contribute to their buying decision. Also, we come to know what are people's perceptions towards Celebrity endorsements,

Research Methodology

Research Methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done scientifically. It is the systematic method consisting of enunciating the problem, formulating hypothesis, collecting data and facts, analyzing the facts and reaching certain conclusion either in the form of a solution towards the concerned problem or in certain generalizations for some theoretical formulation. It is the process used to collect information and data for the purpose of making business decision either by Primary Sources or Secondary Sources.

The study is based on both the primary data and secondary data. It involves direct investigation with students.

Research Design

A research is the plan of a research study. The design of a study defines the study type (E.g. Descriptive, Correlational, Semi experimental, Experimental, Review) and Sub-types (E.g. Descriptive: Longitudinal, Case Study etc.). Research Design is a framework that has been created to seek answers to research questions.

The Research Design used for this project is Descriptive.

Descriptive Research is a study designed to depict the participant and their behavior in most accurate way. It is all about describing people who take part in the study.

Descriptive Research can also be explained as a statement of affairs as they are present with the researcher having no control over variable factors. Moreover, “Descriptive studies may be characterized as simply the attempt to determine, describe or identify what is, while Analytical studies attempt to establish why it is that way or how it came to be”.

Descriptive Research is aimed at casting light on current issues or problems through a process of data collection that enables them to describe the situation more completely than was possible without employing this method.

In its essence, Descriptive studies are used to describe various aspects of the phenomenon. In its popular format, descriptive research is used to describe characteristics and/or behavior of Sample population.

An important characteristic of Descriptive Research relates to the fact that while descriptive research can employ a number of variables, only one variable is required to conduct a descriptive study. Three main purposes of descriptive studies can be explained as Explaining, Describing and Validating research findings.

Advantage of Descriptive Research:

1. In Descriptive Research there is possibility to observe the phenomenon in a completely natural and unchanged natural environment.
2. It gives us the opportunity to integrate the qualitative and quantitative methods of data collection.
3. It is less time consuming than Quantitative experiments.
4. It is effective in analyzing non-qualified topics and issues.

Disadvantages of Descriptive Research:

1. Descriptive Studies cannot test or verify the research problem statistically.
2. Research results may reflect certain level of bias due to the absence of statistical tests.
3. The majority of descriptive studies are not 'repeatable' due to their observational nature.
4. Descriptive studies are not helpful in identifying the cause behind described phenomenon.

Data Collection Sources

Statistics is a study of dealing with and interpreting large numbers and not just dealing with one number. There are mainly 2 types of data which are used in this project:

Primary Data

Primary Data refers to the original data collected directly from the source. It is the data that has not been previously published, e.g. In Marketing; primary data can be collected from the first hand users by the means of survey or observation. In this study I have used the following ways of collecting primary data:

Direct Contact: Direct contact was made with students of college and millennials to collect data and information through questionnaire and discussion.

Secondary Data

Secondary Data is collected by someone other than the user. It may be a data which has been collected and compiled for some other purpose. Common sources of secondary data may be from published records, internet, journals, Organizational records etc.

Data from Internet and other sources was taken to assess the effect of celebrity endorsements on the consumer buying behavior, their perception and preference towards it.

Sampling

Sampling is the process of learning about population on the basis of the sample drawn from it. Under this method a small group of people is taken out as the representative of the whole mass and the results are drawn.

Sampling is concerned with the selection of a subset of individuals from within a statistical population to estimate characteristics of the whole population. It is the method to make social investigation practicable and easy.

Sampling Technique: The technique used in this project is Convenience Sampling.

A Convenience Sample is a type of non-probability Sampling Method where the sample taken from a group of people easy to contact or to reach.

Sample Unit: The Sample Unit were the college going students and millennials.

Sample Area: The area used for survey was Delhi area.

Sample Size: The size of the sample is 100 people.

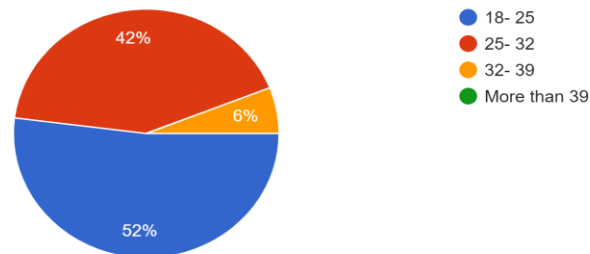
4.CASE STUDY

Data Analysis

Chart 4.1

Age

100 responses

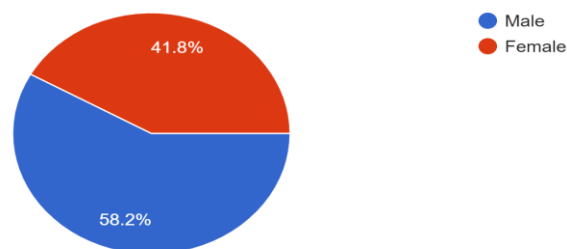


From the above figure it can be seen that 52% of the respondents fall within the age group of 18-25 years and 42% of the respondents fall in the age group of 25-32 years whereas only 6% of the respondents fall within the age group of 32-39 years. Hence it shows that the data represents mainly the viewpoints of young generation.

Chart 4.2

Gender

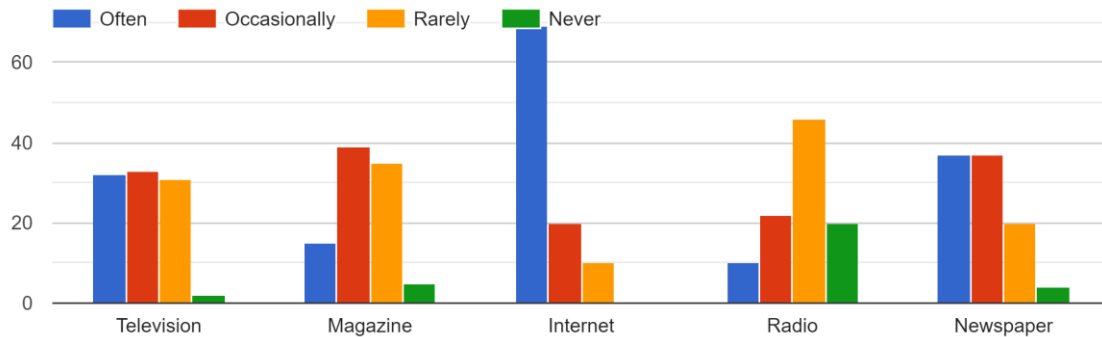
98 responses



In the above figure, it can be seen that 58.2% are male and 41.8% are female.

Chart 4.3

How many times do you watch advertisement on the following media?

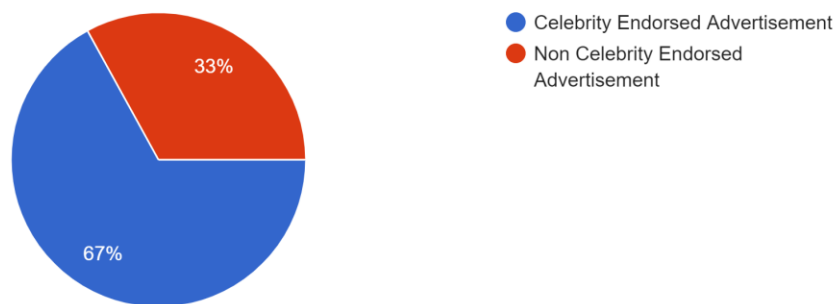


It can be concluded from the above figure that maximum number of people watch advertisement on the internet very often, followed by newspaper and television.

Chart 4.4

What attracts you more?

100 responses

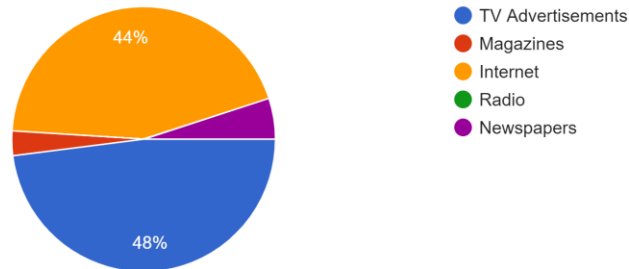


67% of respondents are attracted by celebrity endorsed advertisement while 33% are attracted by non-celebrity endorsed advertisement.

Chart 4.5

Which of the following medium do you think is more likely to convey celebrity endorsed advertisements?

100 responses

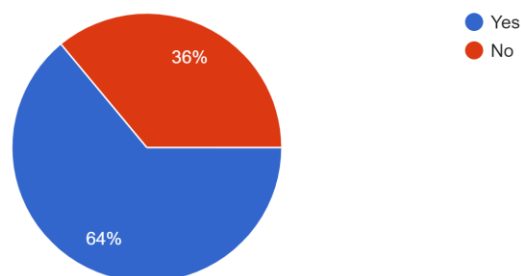


48% of the respondents believe that TV Advertisement is the medium that is more likely to convey celebrity endorsed advertisements followed by Internet at 44%.

Chart 4.6

Have you felt influenced by a celebrity in connection with a certain product?

100 responses

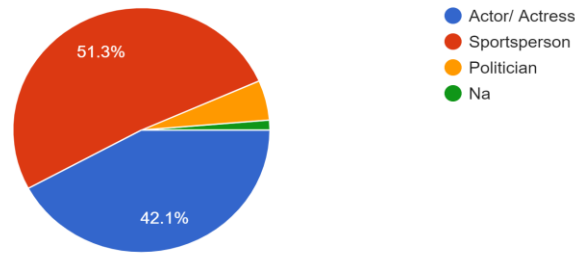


64% of the respondents have felt influenced by a celebrity in connection with a certain product while 36% haven't. This shows that celebrity endorsements do influence majority of the people.

Chart 4.7

If yes, Please indicate which type of celebrity has influenced your purchasing decision?

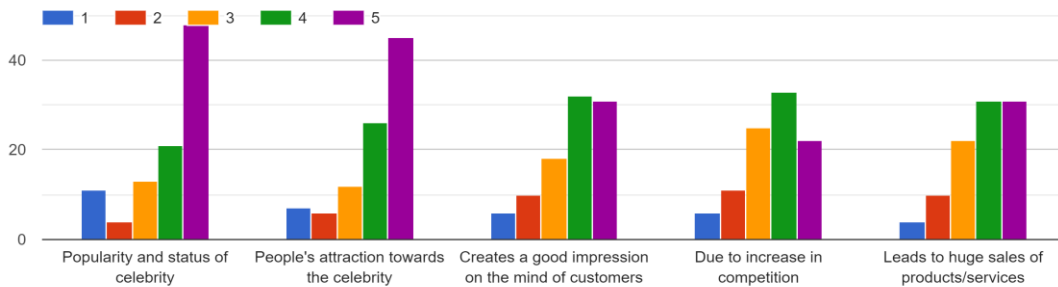
76 responses



51.3% respondents get influenced by Sportsperson and 42.1% get influenced by Actor/Actress.

Chart 4.8

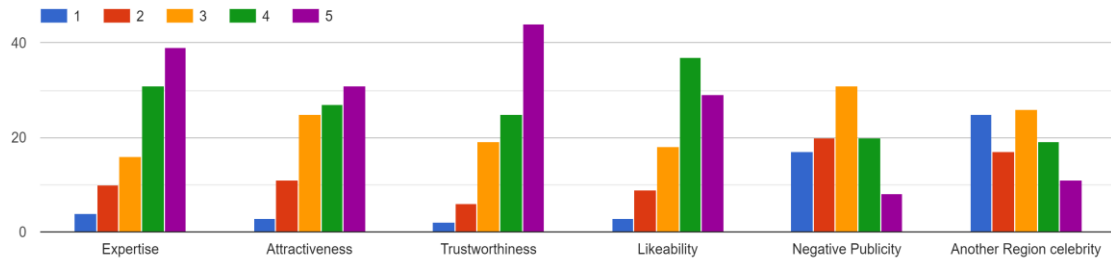
According to you, what are the reasons for increasing use of celebrities in advertisements? (Please rank the following- 1 being lowest, 5 being highest)



From the above chart, it can be inferred that Popularity and status of the celebrity and People's attraction towards the celebrity contribute the maximum in increasing the use of celebrities in advertisements.

Chart 4.9

Please rate these factors according to their importance and effectiveness in order to influence your purchase decision (1 being the lowest and 5 being the highest)



From the above chart, it can be inferred that Trustworthiness is the most important factor to influence the purchase decision of the respondents followed by Expertise, Attractiveness, Likeability, Negative Publicity and the presence of another region celebrity respectively.

5. FINDINGS

- 1) Celebrity endorsement enhances product information and creates awareness among Consumers. It helps them to recall the brands of the endorsed products.
- 2) It was revealed that among the various media vehicles Internet and TV are the most influencing media persuading consumers to buy the products.
- 3) Popularity and status of the celebrity and People's attraction towards the celebrity contribute the maximum in increasing the use of celebrities in advertisements.
- 4) Sports Personalities and Actor/Actresses are playing major role in creating an impact than other celebrities.
- 5) A good number of respondents believe that the products advertised by celebrities are of good quality.
- 6) Trustworthiness is the most important factor to influence the purchase decision of the respondents followed by Expertise, Attractiveness, Likeability, Negative Publicity and the presence of another region celebrity respectively.

6. RECOMMENDATION

1) Celebrity endorsements will be more effective when the ad execution is simple, clean and free of irrelevant design elements and the ad characterizes catchy themes associated with the personality of the celebrity.

2) Celebrity endorsements will be more effective when using a celebrity who is not already strongly associated with another product or service.

3) Celebrity endorsements will be more effective when there are not frequent changes in celebrities who are endorsing the products because that would further enhance the recall ability of the brand.

4) It is also important that a celebrity has to have their image aligned with the brand's image to be believable to consumers. As long as companies have an interesting marketing strategy paired with the right celebrity, their representative and endorsement has an overall positive impact.

7. CONCLUSION

The present study has tried to explore the viewpoints of the youngsters in order to assess whether the skyrocketing amounts spent on these celebrities are worthwhile. It has been revealed during the study that whopping amounts being paid by the marketers to these celebrities are somewhere influential. The results show that students are being affected by the presence of celebrities. Celebrities to a vast extent impact a person's purchasing decision, it helps in brand recognition, brand recall and building up the image of the product. It is believed that products endorsed by the celebrities are of good quality also the case studies presented in the paper support the results drawn. Endorsements can be more effective if celebrities themselves assure that they are using the brand they endorse and thereby assure about the genuineness of the product.

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