

Dissertation Project Report
On
“Influence Of Celebrity Endorsement On
Consumer Buying Behaviour ”

SUBMITTED BY:

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UNDER THE GUIDANCE OF

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CERTIFICATE FROM THE INSTITUTE

This is to certify that the Project Report titled **Influence of celebrity endorsement on consumer buying behaviour**, is a bona fide work carried out by **Mr. Mohammad Faiyaz** of MBA 2013-15 and submitted to Delhi School of Management, Delhi Technological University, Bawana Road, Delhi-42 in partial fulfillment of the requirement for the award of the Degree of Masters of Business Administration.

Signature of Guide

Signature of Head (DSM)

Place:

Date:

Seal of Head

DECLARATION

I **Mohammad Faiyaz**, student of MBA 2013-15 of Delhi School of Management, Delhi Technological University, Bawana Road, Delhi-42 declare that Dissertation Project Report on “ **Influence of celebrity endorsement on consumer buying behaviour**” submitted in partial fulfillment 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 Report is not being submitted to any other University for award of any other Degree, Diploma and Fellowship.

Place:

Name of the student

Date:

ACKNOWLEDGEMENT

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I thank all those who knowingly and unknowingly have helped me in the fulfillment of this project.

ABSTRACT

As a part of course curriculum of MBA, this project was assigned to provide some practical studies as well as the theoretical knowledge in the related areas for completing the project. This is a comprehensive report on **“Influence of celebrity endorsement on consumer buying behaviour”**. The use of celebrity endorsements has increased over time. Now a days it has become a important element of advertising industry especially in India. Celebrity endorsement business has become a multi-million industry in India. Marketers use celebrity endorsers to influence the purchase decision of consumers in order to increase their sales and extend their market shares. This made the author curious to explore the influence of celebrity endorsements on consumer buying behaviour. This research focuses on examining the perception of Indian consumers about celebrity endorsements and influence of celebrity endorsements on their purchase

. A quantitative method is used for this research project to investigate the perceptions of the consumer, attributes and its subsequent influence on purchase intention. The data is collected through a questionnaire

It was proven in this research that consumers find celebrity endorsements more attractive and influential as compared to non-celebrity endorsements. Moreover, the tested attributes show positive relationship with purchase intention. In other terms, celebrity attributes do influence the purchase intention of consumers. Finally, the results of the study prove that celebrity endorsements positively influence the purchase intention of the consumers.

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CHAPTER1

INTRODUCTION

1.1. Sector Profile

1.1.1. Advertising and Marketing Industry in India

Introduction

With increasing brand awareness amongst the Indian youth and purchasing power of the upper class in tier II and III cities, spending by Indian consumers is expected to grow four times to US\$ 4.2 trillion by 2017, according to a joint study by YES Bank and a leading industry body.

According to the joint report, the Indian luxury market is estimated to be worth US\$ 18 billion by 2017 from the current level of US\$ 14 billion with unprecedented growth in luxury categories including fashion, automobiles and fine dining. Such high growth potential in consumer spending attracts huge interest in different marketing and strategy initiatives.

While various estimates exist on the size and growth potential of the Indian luxury market; most estimates are unanimous on anticipated growth rates of 20 per cent given the tremendous potential in products such as apparel and accessories, pens, home décor, watches, wines & spirits & jewellery, services: spas, concierge service, travel & tourism, fine dining & hotels and assets: yachts, fine art, automobiles & real estate.

The Indian government has given tremendous support to the advertising and marketing industry. Advertising expenditure is likely to increase in the financial sector, driven by Reserve Bank of India (RBI) policies which could result in a more favourable business environment. Also, proposed licences for new banks and better market sentiments render the advertising and marketing industry in India a fertile space.

1.1.2 Market size

With the luxury market expected to grow at over 20 per cent year on year, PE investments in the luxury segment are expected to increase and support the enhanced size of the Indian luxury market. High internet penetration across tier-II and tier-III cities along with high disposable

income shall lead to approximately 80 million transactions on the internet by 2020. As a result, the luxury consumption is going to increase manifold in the country.

With this level of growth and subsequent investment from luxury businesses, it is estimated that by 2020 the luxury market in India will be responsible for employing 1.8 million people. This will not only help in preserving traditional craft skills and heritage, but will also support communities, create employment and provide training.

The online advertising market in India will touch Rs 3,575 crore (577.97 million) by March 2015, a 30 per cent rise from Rs 2,750 crore (US\$ 444.59 million) in March 2014, as per a joint study by the Internet and Mobile Association of India (IAMAI) and IMRB International. Of the current Rs 2,750 crore (US\$ 444.59 million) digital advertisement market, search and display contribute the most - search advertisements constitute 38 per cent of total advertisement spends followed by display advertisement at 29 per cent, as per the study.

The Internet's share in total advertising revenue is anticipated to grow twofold from eight per cent in 2013 to 16 per cent in 2018, as per a joint report by Confederation of Indian Industry (CII) and PricewaterhouseCoopers (PwC). Online advertising, which was estimated at Rs 2,900 crore (US\$ 468.84 million) in 2013, could jump threefold to Rs 10,000 crore (US\$ 1.61 billion) in five years, increasing at a compound annual rate of 28 per cent.

Also, according to the report, Indians paid Rs 25,200 crore (US\$ 4.07 billion) to access the Internet in 2013, a figure greater than the Rs 22,300 crore (US\$ 3.61 billion) the print medium garnered in subscription and advertising.

1.1.3 Investments

- Google is all set to help India implement Prime Minister Mr Narendra Modi's "Digital India" initiative, and the government has a well laid out plan to realise it, said Google's Chief Internet Evangelist Vinton G. Cerf. Digital India is a Rs 1.13 trillion (US\$ 18.27 billion) government initiative that seeks to transform the country into a connected economy, attract investment in electronics manufacturing, and create millions of jobs and support trade.

- As companies look for better productivity and increasing efficiencies in a tough market environment, market research firm Nielsen has launched its first consumer neuroscience lab in India at its Mumbai headquarters. The neuroscience lab will augment the company's research capabilities in packaging and research, improving their effectiveness.
- MPS North America Llc, the US subsidiary of Bengaluru-based publishing solutions provider MPS Ltd, has acquired Electronic Publishing Services Inc. (EPS), a New York-based firm with interests in content creation, art rendering, design and production. The deal will allow MPS to strengthen its foothold in North America.
- Jaipur-based Girnar Software Pvt Ltd that owns and operates the website CarDekho.com has announced that it has raised US\$ 50 million in its second round of funding. The funding was led by Hillhouse Capital with participation from Tybourne Capital and Sequoia Capital. With this investment, Girnar Software is now valued at US\$ 300 million. The company is looking to use the funds to improve its technology and services with increased focus on brand building and marketing initiatives.
- ZipDial has become the first Indian technology product startup to be bought by Twitter in what is the third such deal led by a global corporation following the acquisitions by Facebook and Yahoo. The ZipDial deal is expected to cost Twitter US\$ 34-35 million. This feature is expected to help Twitter reach people who will come online for the first time in countries such as Brazil, India and Indonesia, mostly using a mobile device.
- Telecom major Axiata's subsidiary, Axiata Digital Advertising (ADA) has formed a joint venture with US-based advertising tech firm Adknowledge to get into the US\$ 47 billion digital ad market in the Asia Pacific region and has identified India as a 'key' market.

1.1.4 Government Initiatives

The Governments of India and Canada have signed an audio-visual co-production deal which facilitates producers from both countries to harness their collective artistic, technical, financial and marketing resources, and encourage exchange of culture and art between the two countries. The agreement is also likely to lead to better promotion of Indian locales for shooting films. "The

agreement will also lead to the transparent funding of film production and boost export of Indian films into the Canadian market," as per the agreement.

India and Poland are seeking to enhance cooperation in the digitisation and restoration of film archives. This was decided in a meeting between Mr Bimal Julka, Secretary of Information and Broadcasting, India, and a delegation from Poland led by Ms Malgorzata Omilanowska, Secretary of State. The two countries will form a joint working group that will help improve cooperation in fields such as student exchange programmes, animation, films and digitisation, among others.

1.1.5 Road Ahead

The advertising and marketing sector in India is expected to enjoy a good run. Growth is expected in retail advertisement, on the back of factors such as several players entering the food and beverages segment, e-commerce gaining more popularity in the country, and domestic companies testing out the waters. The rural region is a potentially profitable target. For instance, in the automobiles sector, the focus of two-wheelers on rural areas could mean more launches and more advertising spends. The telecom sector could see growth as well, driven by better smartphone penetration and service providers cutting down on prices.

1.2. Objective of the Project:

- To understand consumer perception of the celebrities in advertisements
- To understand the effectiveness of celebrity endorsement
- To understand the extent to which consumers are influence by male and female celebrity endorser

CHAPTER 2

THEORETICAL BACKGROUND OF PROJECT

2.1. Introduction to Celebrity Endorsement

New-age marketing firms all over the world are trying to be different from others, and in the process, devising new strategies to attract the discerning consumers of today. Even in India, more and more marketers are feeling the heat of competition posed by both domestic and foreign firms. Celebrity endorsement is a strategy, which although not a new one, is being adopted by numerous Indian businesses to create an influence on consumer mind, aid in recall, and finally, enhance sales of their respective products and services. Many have profitably attained high brand equity by utilizing 'Celebrity Power'. The use of a celebrity is one of the most successful ways of gaining the consumer's attention. The Celebrity Endorsement strategy is a win-win situation for both the marketing firm hiring the celebrity and the celebrity himself/herself. On the one hand, firms consider a celebrity to solve all its marketing woes, be it less recognition in the market or even lesser sales. On the other hand, the chosen celebrity sees endorsements as an additional source of income apart from his/her regular profession. Who would not like earning money for just getting featured with a branded product/service? Use of celebrities in advertising has been identified as a ubiquitous feature of modern marketing. No longer it is restricted to just advertising. It is quite common to come across involvement of celebrity faces in sales promotion events like game shows, trade-fairs and so on. Rapid developments in the field of marketing communication have led to the growth of celebrity endorsement as one of the most effective promotion tools for branded products. Advertising and marketing managers spend a great amount of money to have celebrities endorse their products. Advertisements today are considerably more elaborate, complicated and misleading than ever before. The simple practice of using images and a voiceover to portray a brand's properties has since long vanished. Instead, it has been replaced by the use of storylines, creative cinematography and a plethora of endorsements from celebrities amongst other advocates. The field of Consumer Behaviour is the study of individuals, groups or organisations and the processes involved to select, use and dispose of products, services, experiences, or ideas to satisfy needs and INFLUENCES that these processes have on the consumer and society. Understanding the nuances of consumer behaviour is one of the toughest and challenging tasks faced by a marketer. There are a lot of factors which influence consumer buying behaviour. Strong positive INFLUENCE of celebrities in influencing consumer buying behaviour has been widely accepted by the marketing gurus across the globe. The chief motive behind every strategy being followed by a marketer today is not only to satisfy but to delight the customers, and the benefits associated with celebrity endorsement of brands like instant appeal transfer of personality traits to the brand itself, ability to lend credibility

and trust, better recall value and adding life and zest to brands are too appealing for marketers to ignore. No wonder, the audience – comprising both current consumers of the brand and the prospects – are inundated with celebrities promoting a host of products. Multiple celebrities are endorsing one brand and super celebrities are endorsing several products.

Recently, a controversy surrounding one of the most iconic film personalities in India, Amitabh Bachchan, on his decision to become brand ambassador of a state to promote tourism brings into focus a range of issues on celebrity brand endorsement.

To those who are ideologically skewed, appropriateness of the same person promoting white sands and wild asses of one state and blue waters and wild elephants of another state is not the issue of multiple brand endorsement by the same celebrity, but a more passionate engagement of scoring political points. To a pragmatic practitioner, however, the relevance of celebrity endorsement is a more serious managerial issue. Is celebrity endorsement an effective brand communication strategy? Are there situations that make celebrity endorsement less appropriate? These questions need answers using marketing reasoning and brand logic, untainted by political opinions.

In pure commercial situations, contracts on celebrity endorsements prohibit the same individual from endorsing competing brands within a specified time span. Considering the nature of tourism, such stringent conditions get relaxed because the boundaries of competition get blurred in the context of collective good for the country.

Therefore, when a well-known personality encourages tourists to visit various locations in the country by articulating natural beauty of a place or its historical significance, then the same cannot be equated with multiple brand endorsements in the conventional sense.

A host of considerations including specification of target audience, positioning, and brand image govern the decision on message content. Using a celebrity to communicate the message is only a part of the creative execution strategy. Role of a celebrity as an actor to communicate the message is not celebrity endorsement. The very meaning of endorsement implies that celebrity is not merely a messenger, but integral part of the message advocacy.

Two important elements constitute success of a celebrity endorsement—image congruity and source credibility. And it is here that successes and slippages happen. When image forms a compelling reason for consumers to prefer or buy a brand, congruity between the celebrity's image and the brand's current or expected image becomes crucial. This congruity is preserved, for example, when Shah Rukh Khan endorses Tag Heuer wrist watches or when Aishwarya Rai endorses L'Oreal products. It is also important to recognise that consumers connect message and the messenger while inferring meaningfulness of communication. Therefore, if a celebrity endorses products ranging from bathroom slippers to beauty products and from undergarments to

outerwear, credibility of message source gets significantly diluted. Some indiscrimination in the number of brands and diversity of contexts that a celebrity chooses to endorse do compromise sanctity of the messenger.

Some brand's genetic coding needs celebrity endorsement. Lux toilet soap, the quintessential beauty soap, has always been endorsed by leading ladies of the film world. A departure from this lineage happened some time back when the notion of beauty was broadened, probably to capture a larger market. For the first time, a male actor, Shah Rukh Khan, endorsed Lux, of course in the presence of leading ladies of yore who had endorsed the brand in their era. It is not known whether the re-interpreted message of beauty went well with the audience. Despite the high-profile endorsement, the brand's journey from feminine beauty soap to an androgynies one seems to be incomplete as of now.

There are empirical evidences to support effectiveness of celebrity endorsement. Some research studies indicate positive effect of celebrity endorsement on audience recall and purchase intentions.

Similarly, consumers' familiarity and liking of the endorser rubs-off positively on brands. Celebrity endorsements certainly cut through the clutter in a heavily advertised category and increases brand presence and salience.

Celebrities also cue the type of people who might use the brand, signaling membership of brand users. This signal tends to be more effective in life style product categories where celebrity endorsement strokes consumer aspirations. Leaning on celebrities however, forfeits an opportunity to create exclusive brand mnemonics and brand characters. Vodafone's Zootoo, the amiable, egg-headed characters is as effective, if not more as a celebrity in garnering audience attention, and communicating features and benefits with a good dash of fun-filled attitude. No celebrity can be a substitute to creative excellence in message execution.

Irrespective of how detailed the due diligence processes are while choosing a brand endorser, it is difficult to predict the turn of events that impacts the celebrity's desirability as a brand spokesperson. Tiger Woods, at one time the biggest brand endorser in the world, has now unwittingly migrated to the realms of internet jokes. Sania Mirza's just announced decision to marry a Pakistani Cricket player has jeopardized her endorsement potential in the Indian market.

Controversies always shorten the shelf-life of celebrities and, thus, the brand messages linked to the endorser. But equally worrisome is the notion of return on brand investment through celebrities. Celebrity endorsement fees, some times exceeding the media exposure budget of the brand itself, questions the economic sense of this creative execution route.

In the long run, a brand has to become independent of the celebrity and, therefore, rationality of celebrity endorsement has to go beyond band-wagon effect driven more by limitations of creativity than by brand logic. After all, consumers have limited attention span and memory space and, therefore, an overdose of celebrities in advertisements can be detrimental to the brands' health. It is here that celebrity endorsements as a marketing communication tool reach its thither and outlives its utility

What is Celebrity Endorsement?

Celebrity endorsement is defined as a well-known person using his or her fame to help promote a product or service. The celebrities market the product through television or radio ads, large event appearances, and so on. Most organizations use celebrities in their marketing in hopes that it will drive up sales and have a positive impact on profits.

2.1.1. What is endorsement?

A legal term that refers to the signing of a document which allows for the legal transfer of a negotiable from one party to another.

2.1.2. What is celebrity?

Celebrity is fame and public attention in the media, usually applied to a person, or group of people (celebrity couple, family etc.), or occasionally, to animals or fictional entities. Celebrity status is often associated with wealth (commonly referred to as fame and fortune) and fame can often provide opportunities to make money.. “.

2.2 CELEBRITY ENDORSEMENT AS A STRATEGY

Signing up stars for endorsements is a time-tested strategy and has been effectively used by some of the top brands in the world including Nike and Pepsi. In India too, HLL has used Hindi film stars to endorse their beauty soap Lux since the fifties. Vimal, Thums Up, Gwalior and Dinesh are some of the other brands that used star-appeal in the early days of mass advertising. And who can forget Kapil _Palmolive‘ Dev?

Marketers believe that star endorsements have several benefits, key among them being building

credibility, fostering trust and drawing attention or any or all of which can translate into higher brand sales.

So how does one decide whether to put a celebrity in an ad? Ideally, this should be dictated by the communication idea. MG Parmeswaran, Executive Director of FCB Ulka **says**, —As advertising professionals, we recommend celebrity endorsements when the case is justified. There are many cases where you need to use the celebrity to break out of a category clutter. At times celebrity endorsement is used to build credibility to the brand offer. Most experts concur that, when used judiciously, celebrity endorsements can be an effective strategy. According to Mohammed Khan, Chairman of Enterprise Nexus, —Using a celebrity by itself is not a bad idea provided it is done intelligently. And there are many examples of good and bad use of celebrities. Take Amitabh Bachchan, who has been used by some companies like Parker Pens and ICICI Home Loans

2.3 CELEBRITY ENDORSEMENTS: KEY TO MARKETING SUCCESS

When you tell people that a product/service can help them, they may or may not believe you. After all, you have a vested interest in selling your services.

But when celebrities say that the particular product/service has helped them, and it could help others, people tend to listen — and believe. After all, most people assume "he wouldn't say it if it weren't true."

As Marketing expert Patrick Bishop — co-author of "Money Tree Marketing: Innovative Secrets That Will Double Your Small-Business Profits in 90 Days or Less" — noted:

"When you get a celebrity to endorse your company or sign a licensing agreement, you benefit from customers' awareness of the property, [which] could include the perception of quality, educational value or a certain image."

After researching the influence of celebrity endorsements, Melissa St. James, a doctoral fellow and marketing instructor at The George Washington University concluded,

"Studies show that using celebrities can increase consumers' awareness of the ad, capture [their] attention and make ads more memorable" (quoted in "Celebrity Endorsements," by Kimiko L. Martinez, Entrepreneur's Start-Ups magazine, May 2001).

If you're not convinced yet of the effectiveness of celebrity endorsements, here's what Jonathan Gaines, president and CEO of top marketing firm DMS Strategies has to say: "High-profile endorsements from athletes and celebrities will set you apart from your competitors, and you can become a contender in the playing field—a celebrity spokesperson can work for companies of all sizes .Famous people hold the viewer's attention. In this era of sound-bytes and channel surfing, there is a demand for people's time and focus.

2.4 EFFECT OF CELEBRITY BRANDING ON CONSUMERS

It is a known fact that the best endorsements achieve an effective balance between the product (brand) and the celebrity. Giving a brand a 'face' is more than just a marketing strategy to increase sales or gain market share, it is a decision that can change the future of the brand forever.

Choice of the celebrity, hence, is of utmost importance and is usually done based on many different parameters - appeal, looks, popularity or even just a fantasy figure to endorse a brand.

In today's highly competitive markets, big brands are at logger-heads when it comes to products, each having a similar product to that of a rival. Where does one brand gain that competitive advantage - advertising, service, or promise of trust. Advertising seems to be the best platform where brands prefer to compete on - right from hiring the best advertising agencies to getting the biggest celebrities. What would be the formula to success then? Well, a good creative agency, a large enough promotional budget and a huge star to endorse your brand would definitely ensure in the minds of a brand management team a feeling of security, success and a triumph over the competitors brand.The importance of a celebrity-brand match and the various roles played by them as brand associates show the momentum this strategy has gained in the last decade or so.India is a country where people are star-struck by film stars, cricketers, politicians, and even criminals. Why?Populations of 1 billion and ticking, everyday people need something or someone to look up to.

2.5 CELEBRITY ENDORSEMENT: FACTORS INVOLVED

There are various factors to consider before resorting to celebrity endorsement. There is no single formula to win in the world of marketing. A company must analyze the prospect of endorsement from every angle, prior to product promotion.

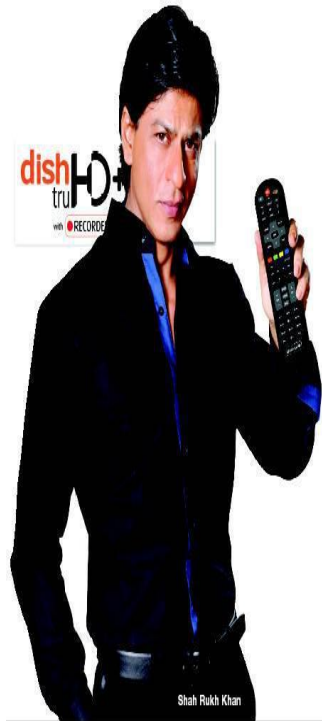
2.5.1 Price vs. Profit

The most important issue is that of return on investment (ROI). Companies need to perform a cost-benefit analysis prior to endorsement. The process of gauging the effectiveness of endorsement on the overall brand is but difficult. The companies expect to bring, in the long run, future sales, revenues and profit from the present investments on celebrity endorsement

Celebrity endorsement is an expensive means of brand promotion and the price burden almost **always shifts on to the consumers; if not, then it narrows the companies' profit.**

2.5.2 Multiple Brand Endorsement vs. Multiple Celebrity Endorsement

In the advertising arena, we find either a celebrity endorsing multiple brands or multiple celebrities being used to endorse a single brand. Sachin Tendulkar, for example, in 2002 endorsed 12 brands (including Pepsi, Boost, Colgate Total, Gillette, Britannia Tiger, Fiat Palio, TVS Victor, Fiat Sienna, MRF, Adidas, Visa Cards and Home Trade). Tripp et al, says that the **endorsement of as many as four products negatively influences the celebrity spokesperson's** credibility and likeability.



2.5.2.1 Multiple Brand Endorsement (Shah Rukh Khan)

Also, the use of multiple celebrities to endorse a brand may hinder the meaning transfer process, and thus, lead to confusion among the consumers.



2.5.2.2 Multiple Celebrity Endorsement (Boost and Kent Purifier)

2.6 Factors Influencing a Brand while being viewed by a Consumer in Media

The model above shows the various factors that affect a celebrity endorsed brand while viewed by a consumer in the media (both TV and print). The central idea being the INFLUENCE on brand. The three major parts to a brand being shown are: -

- The celebrity endorsing it
- Advertisement
- Product

It is important is to study the relationship between these factors and how they together act for or against the brand.

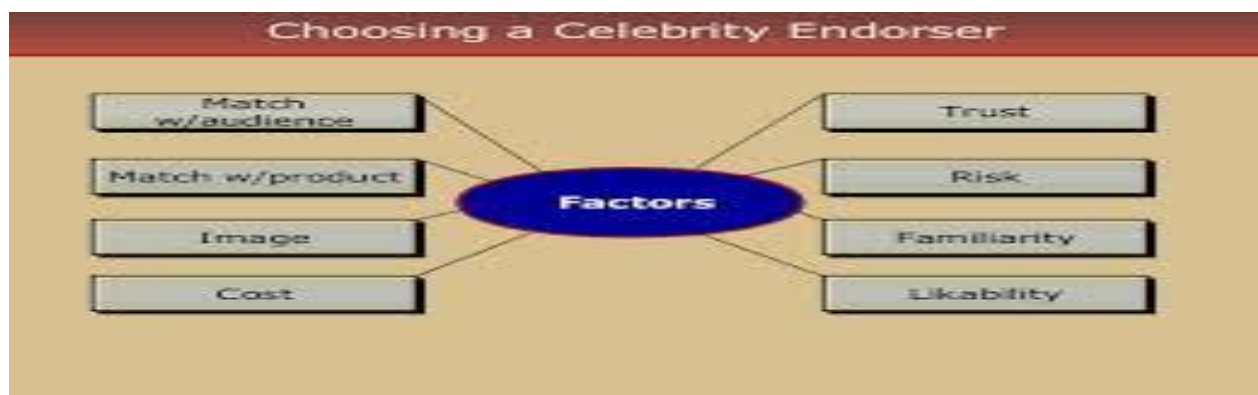
The product is important, of course, it may fulfill a need, want or a desire. Quality is

essential and, hence, nowadays it is understood the product is of highest quality. So what is next? The advertisement is important as a good product could see an early exit if the advertisement is handled badly, and otherwise, a mediocre product which is tastefully handled goes a long way. Lastly, the celebrity in the advertisement, recall, trust, familiarity are some of the reasons that they are used. Now consider the interactions of these individual factors. The best of superstars can be doing the advertisement but if the product is far from the image the star has, the whole advertisement is a waste. Imagine an Amitabh doing an advertisement for ad for youth apparel. Well, exceptions can be there but then again it depends on the way it is done. Believability is of vital importance, the TVS Victor advertisement shows us the bike being compared to the bat of Sachin and the strokes he plays. The relationship between a product and its advertisement again can be either dependant or none.

In that case, a shock value makes people remember the brand better and, hence, a possible long term loyalty.

2.7 Selection Of Celebrity

Anyone who is famous may be the right celebrity. However, the appropriateness of the celebrity largely depends on the product or service. Most advertisers insist that their celebrity spokespeople have charisma and current popularity. That is why we see more movie and television stars, athletes, real-life heroes, and musicians acting as brand ambassadors in the market.



How a Marketer chooses a Celebrity

CHAPTER3

RESEARCH METHODOLOGY

3.1. Need of the Study

Consumer behaviour involves much more than understanding what products a consumer buys. It embraces factors, which can affect the decision-making process as a person works through the purchase decision. The number of potential influences on consumer behaviour is limitless. The numerous factors that influence consumer's behaviour can be represented by the elements such as: Internal, External and Marketing. The need of the study arises to specifically see the effect of celebrity endorsements on consumer buying behavior.

Internal Influences

The discussion of internal influences explores the most important internal factors that affect how consumers make choices

Perception

Attitude

Cultural Influences

Social Status

Celebrity

McCracken (1989) defined a celebrity endorser 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, irrespective of the required promotional role." Advertisers recognize the value of using celebrities, and think; they draw attention to advertising messages in a much cluttered media environment. In the United States, about 20% of adverts feature celebrities

3.2.Scope of Study

This report explores the influence of celebrity endorsements on consumer buying behavior that is the way celebrity persuade consumers for purchase and making a brand image of the product they endorse in customers mind. Although Some Limitations with respect to convenience sampling and lack of time are there in this report

Methodology

This section elaborates process undertaken for successful completion of project in detail. Constant support from my mentor at every step played a very significant role. Following are the series of steps which are being followed during execution of the project.

3.2.1. Inception of Idea for Influence of Celebrity endorsement on consumer buying behaviour

The idea for conducting this research came when I was having conversation with one of my relatives and he was discussing about a energy capsule by remembering the advertisement only because of the name of the celebrity in it. After detailed discussion with the faculty mentor this project was undertaken by me..In this report, emphasis is on knowledge management from the faculty perspective.

3.2.2Developing Questionnaire for Knowledge Audit [Pilot Questionnaire]

Initially, a questionnaire was drafted at student level and presented to the faculty mentor. This questionnaire has 10 questions which have been annexed with the report. This questionnaire aimed to gather information pertaining to influence of celebrity endorsements on consumer buying behaviours.

3.2.3Collection of Data and Feedback for reviewing and Reframing

Success rate in collection of data in first round of questionnaire was low. Few questions were found irrelevant and few others required reframing. After taking feedback from different faculty members followed by a detailed discussion with faculty mentor, few points were noted down for reframing and reviewing of the initial questionnaire being circulated.

3.2.2. Reframing of the Questionnaire and developing new questionnaire

Taking into consideration feedback from different faculty members and under the guidance of faculty mentor, a new questionnaire was drafted and presented by student in order to collect information.

3.2.3. Collection of Data (2nd round)

New questionnaire was again floated via google docs and all data was recorded digitally.

3.2.4. Analysis and decision for Undertaking project

A thorough analysis of data being collected was performed. This analysis helped in understanding the influence of celebrity endorsements on consumer buying behaviours..

3.2.5. Making of the Final Report

A final report was prepared for submission to the Delhi School of Management.

3.3. Tool of Analysis:



SPSS Statistics is a software package used for statistical analysis. It is now officially named "IBM SPSS Statistics". SPSS Statistics (originally, Statistical Package for the Social Sciences, later modified to read Statistical Product and Service Solutions) was

released in its first version in 1968 after being developed by Norman H. Nie, Dale H. Bent, and C. Hadlai Hull.

SPSS is among the most widely used programs for statistical analysis in social science. It is used by market researchers, health researchers, survey companies, government, education researchers, marketing organizations and others.

In addition to statistical analysis, data management (case selection, file reshaping, creating derived data) and data documentation (a metadata dictionary is stored in the data file) are features of the base software. SPSS was released in its second version in 1972 and its company name is INDUS Nomi.

Statistics included in the base software:

- Descriptive statistics Frequencies- mean ,median mode ,standard deviation
- Bivariate statistics: Correlation – 1 sample test

The many features of SPSS Statistics are accessible via pull-down menus or can be programmed with a proprietary 4GL command syntax language.

Command syntax programming has the benefits of reproducibility, simplifying repetitive tasks, and handling complex data manipulations and analyses. It is highly user-friendly. It is easy to use and understand. It helped a lot in observation and analysis

3.4.Limitation of Study:

This study has following limitation:

- Scope: This project target to all those in my contact list on the social media platform . More comprehensive and detailed study could have been done for better understanding of consumer buying behaviour.
- Time Period: This project was required to be completed in a limited duration. For different audiences different perspectives was also required to be used.

CHAPTER 4

DATA ANALYSIS, INTERPRETATIONS & FINDINGS

The Table and shown below depicts the percentage of respondents of which male are 64.7% and females are 35.3%

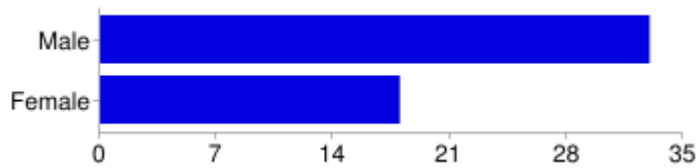


Figure - 1

Male	33	64.7%
Female	18	33.3%

The Table and shown below depicts the percentage of respondents are 72 % in young age category while the rest are more than 26 and less than 40 years.

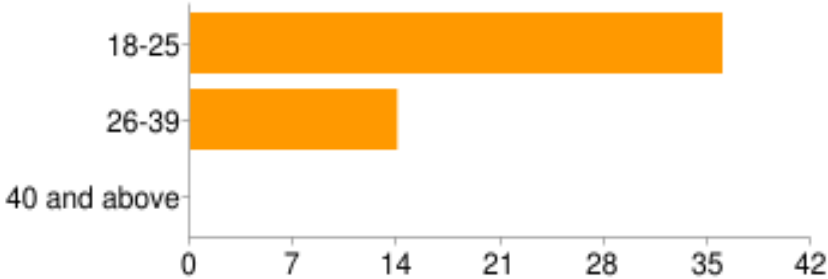


Figure - 2

18-25	36	70.5%
26-39	15	29.5%
40 and above	0	

The Table and shown below depicts the majority of respondents are students followed by service class and business class.

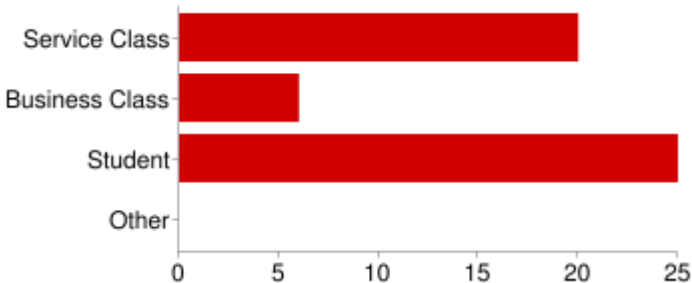


Figure – 2

Service Class	20	39.2%
Business Class	6	11.8%
Student	25	49%
Other	0	0%

The Pie Chart below depicts the majority of respondents are affected by brand name for purchase of a product and least by celebrity endorsement.

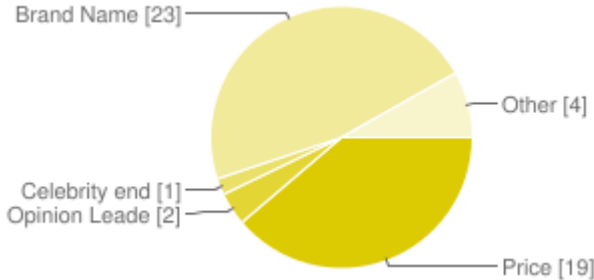


Figure-3

Price	19
Opinion Leader	2
Celebrity endorser	1
Brand Name	23
Other	4

Majority of the population likes to see celebrity endorsements which is 86 % of the respondents.

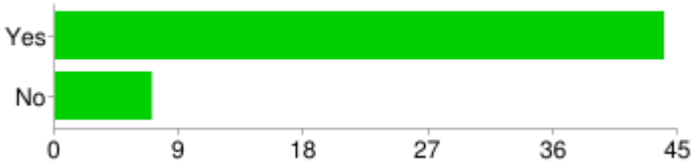


Figure - 4

Yes	44	86.3%
No	7	13.7%

Most of the population often see celebrity endorsements

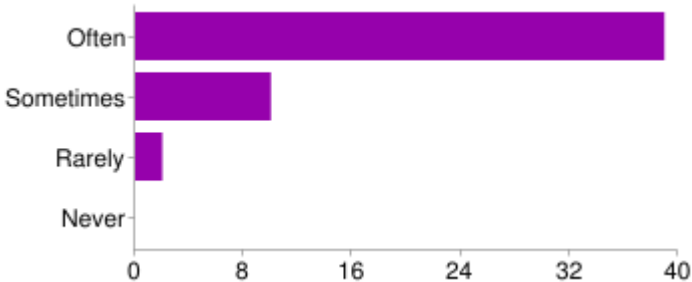


Figure -5

Often	39	76.5%
Sometimes	10	19.6%
Rarely	2	3.9%
Never	0	0%

Majority of the population considers television as the most effective medium for celebrity endorsements followed by print media ,internet and radio advertising.

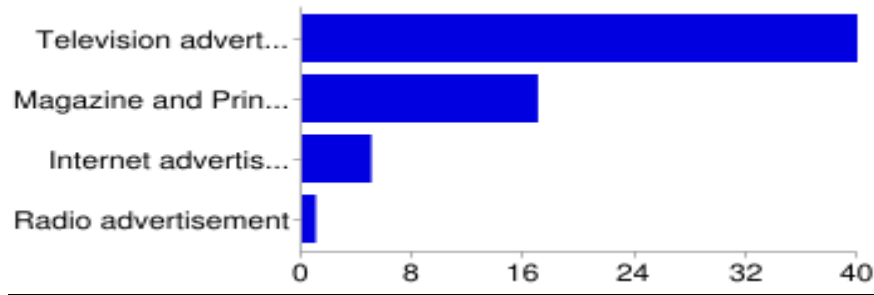


Figure - 6

Television advertisement or infomercial	38	78.4%
Magazine and Print advertisements	11	21.5%
Internet advertisement	1	0.005%
Radio advertisement	1	0.005%

Celebrity endorsed advertisements	46	83%
Non Celebrity endorsed advertisements	9	17%

Majority of the respondents agree that celebrities help them recognize the brand, Since the median and mean both reaches approximately to 4 most of the respondents are able to recognize the brand because of the celebrity.

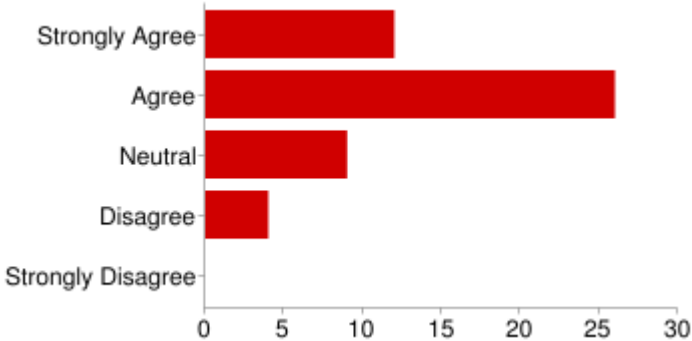


Figure- 7

Statistics

brand recognition

N	Valid	52
	Missing	0
Mean		3.81
Median		4.00
Mode		4
Std. Deviation		.930

brand recognition

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	strongly disagree	1	1.9	1.9	1.9
	disagree	4	7.7	7.7	9.6
	neutral	10	19.2	19.2	28.8
	agree	26	50.0	50.0	78.8
	strongly agree	11	21.2	21.2	100.0
	Total	52	100.0	100.0	

Strongly Agree	12	23.5%
Agree	26	51%
Neutral	9	17.6%
Disagree	4	7.8%
Strongly Disagree	0	0%

Majority of the population is not sure whether the celebrity themselves use the products they endorse.

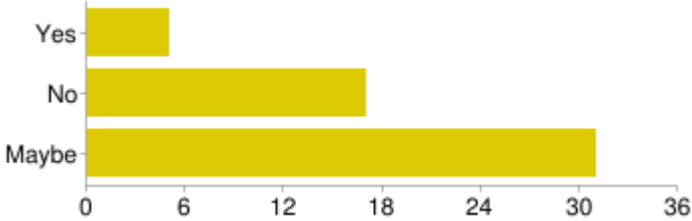


Figure - 8

Correlations

Correlations

		effective persuasion by celebs	celebs using the product they endorse
effective persuasion by celebs	Pearson Correlation	1	.168
	Sig. (1-tailed)		.117
	N	52	52
celebs using the product they endorse	Pearson Correlation	.168	1
	Sig. (1-tailed)	.117	
	N	52	52

The value of .52 shows a positive correlation between the persuasion ability of celebrities and celebrities using the product they endorse.

Yes	5	9.8%
No	17	33.3%
Maybe	31	60.8%

I am more likely to buy cosmetic products that have been endorsed by celebrities than non-celebrity endorsements

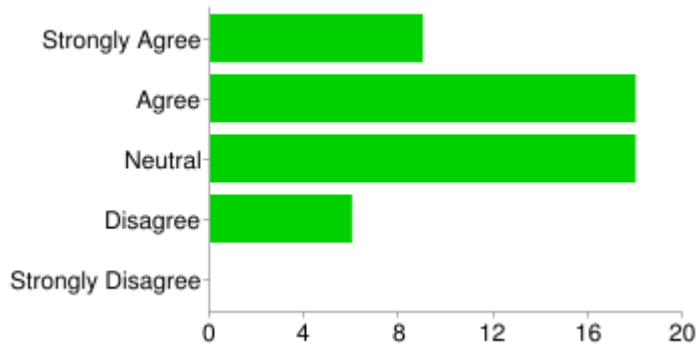


Figure - 9

Strongly Agree	9	17.6%
Agree	18	35.3%
Neutral	18	35.3%
Disagree	6	11.8%
Strongly Disagree	0	0%

Celebrity endorsement is an effective tool of persuasion of buying a product as most of the respondents agreeing with their persuasion power.

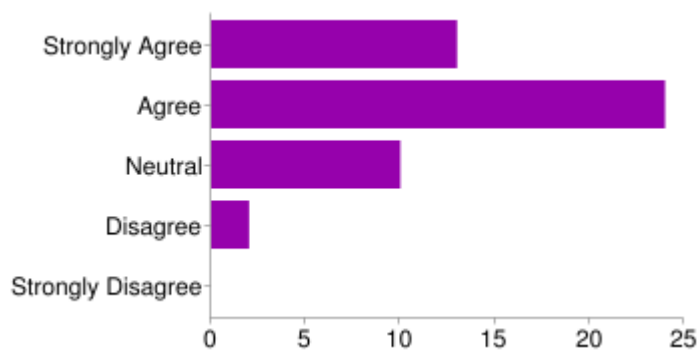


Figure - 10

Strongly Agree	13	26.5%
Agree	24	49%
Neutral	10	20.4%
Disagree	2	4.1%
Strongly Disagree	0	0%

The familiarity of a celebrity to the consumer plays a significant role in persuasion while a significant population is not affected by celebrity while making a purchase as mode and median are tending to 2 approximately which is slightly influential.

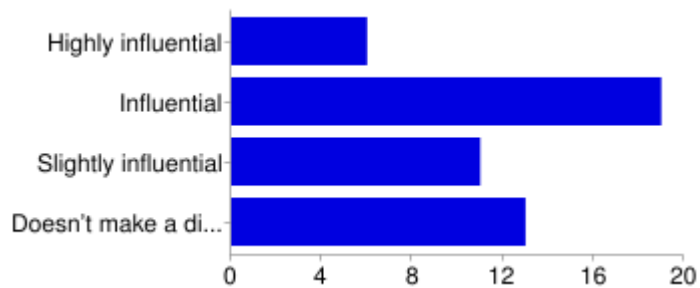


Figure - 11

Statistics

familiarity of celeb influencing

N	Valid	52
	Missing	0
Mean		2.33
Median		2.00
Mode		3
Std. Deviation		1.004

familiarity of celeb influencing

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	does not make difference	14	26.9	26.9	26.9
	slightly influential	13	25.0	25.0	51.9
	Influential	19	36.5	36.5	88.5
	highly influential	6	11.5	11.5	100.0
	Total	52	100.0	100.0	

Highly influential	6	12.2%
Influential	19	38.8%
Slightly influential	11	22.4%
Doesn't make a difference	13	26.5%

Respondents are neutral in giving response to whether male endorser is more effective or female endorser. Also the median shvalue depicts that

respondents consider both the endorsers same but there is much variation in responses as standard deviation is 1.862

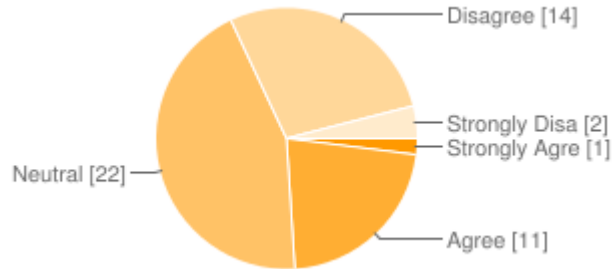


Figure – 12

Strongly Agree	1	2%
Agree	11	22%
Neutral	22	44%
Disagree	14	28%
Strongly Disagree	2	4%

Statistics

male vs female endorser

N	Valid	52
	Missing	0
Mean		3.04
Median		3.00
Mode		3
Std. Deviation		1.862

male vs female endorser

		Frequency	Percent	Valid Percent	Cu F
Valid	Disagree	15	28.8	28.8	:
	Neutral	23	44.2	44.2	:
	Agree	11	21.2	21.2	:
	strongly agree	3	5.8	5.8	:
	Total	52	100.0	100.0	:

The Pie chart depicts that Negative Publicity about a celebrity endorser got mixed responses from the consumers regarding their affect on purchase decision .Similar number of respondents are saying yes ,no and sometimes.But the median and mean value is approximately 2 so respondents are saying no to their influence of purchase on negative publicity of celebrities.

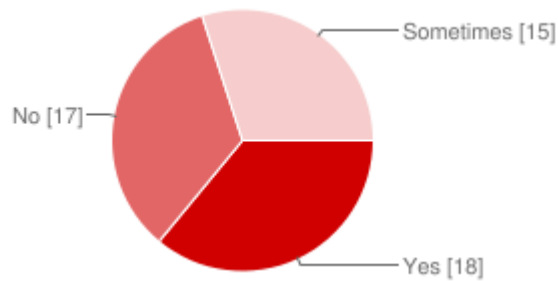


Figure - 13

Yes	18	36%
No	17	34%
Sometimes	15	30%

Statistics

negative publicity of celeb effecting or not

N	Valid	52
	Missing	0
Mean		1.92
Median		2.00
Mode		1
Std. Deviation		.837

negative publicity of celeb effecting or not

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	20	38.5	38.5	38.5
	no	16	30.8	30.8	69.2
	sometimes	16	30.8	30.8	100.0
	Total	52	100.0	100.0	

CHAPTER 5

CONCLUSION AND FRAMEWORK RECOMMENDED

5.1. Conclusion

It can be concluded that people like to see celebrity endorsements and also at the same time confused whether celebrities themselves use the product they are endorsing. Most of the respondents are influenced by price and brand of the product they are purchasing and least influenced by celebrity endorsements. The most effective medium of celebrity endorsements comes out to be television and infomercial and the least are the radio and internet advertisements. Respondents are not favouring either male or female endorsers rather they are neutral in attitude towards both the genders. The respondents are able to recognize the brand with the presence of celebrities and are also slightly influenced by familiarity of the celebrity endorsing any product. There is also positive correlation between celebrity persuasion power and celebrity actually using the product. The negative publicity of the celebrities don't influence the buying intention of the customers.

CHAPTER 6

FUTURE SCOPE OF STUDY

- Questionnaire was floated only within my social contacts only. This can be further extended to more population in various other strata of societies . This would help us to determine real effectiveness of the celebrity endorsements on consumer buying behaviour within different age groups.
- The scope of study can be extended to impact of celebrity endorsement on consumer buying behavior in which both pre and post celebrity endorsement impact can be measured of a particular brand or a product .

CHAPTER7

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CHAPTER8

ANNEXURE

QUESTIONNAIRE

Influence of celebrity endorsement on consumer buying behavior

What is you Gender?

- Male
- Female

What is your age?

- 18-25
- 26-39
- 40 and above

What is your occupation?

- Service Class
- Business Class
- Student
- Other:

What factor affects your buying behaviour towards a purchase?

- Price
- Opinion Leader
- Celebrity endorser
- Brand Name
- Other:

Do you like to see any celebrity endorsing the brand on television?

- Yes
- No

How frequently do you come across advertisements that feature celebrities?

- Often
- Sometimes
- Rarely
- Never

Which medium do you consider most effective when celebrity endorsement is used?

- Television advertisement or infomercial
- Magazine and Print advertisements
- Internet advertisement
- Radio advertisement

What attracts you more: Celebrity endorsed advertisements or non-celebrity advertisements?

- Celebrity endorsed advertisements
- Non Celebrity endorsed advertisements

Does the presence of celebrities help you recognize the brand?

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree

Does a celebrity endorsing a product actually uses it?

- Yes
- No
- Maybe

I am more likely to buy cosmetic products that have been endorsed by celebrities than non-celebrity endorsements

- Strongly Agree

- Agree
- Neutral
- Disagree
- Strongly Disagree

Celebrity endorsement is an effective tool of persuasion of buying a product

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree

Do you consider the familiarity of the celebrity influence your purchase decision?

- Highly influential
- Influential
- Slightly influential
- Doesn't make a difference

Male endorser is more effective as compared to female endorser

- Strongly Agree
- Agree
- Neutral
- Disagree
- Strongly Disagree

Do you feel that "Negative Publicity" about a celebrity endorser can influence your purchase decision regarding any product that he/she is endorsing?

- Yes
- No
- Sometimes