

# **Do Celebrities Influence the Decisions Consumers Make?**

**Dr Subroto Ganguly, Anubhi**

**MASTER OF BUSINESS ADMINISTRATION**

**School of Business**

**Galgotias University**



## **CHAPTER - 1**

### **INTRODUCTION**

Popular personalities can convert into excellent salesmen. Giving the globe a well-known and wellknown face is taken into account to be the fastest and safest way for brands to develop an association and a bond within the mind of its consumers. Whenever the consumers stumble upon an actor or the sports star promoting any product, immediately that product gain popularity and credibility because celebrity endorsement may be a strategy which uses actors to promote the product.

These celebrities needn't to be necessarily a world superstar, but they must be extremely familiar to their audience. We witnesses the actors in different platforms, celebrity endorsement is in high demand, everyone wants to promote there products by celebrities.

And from consumer's perspective, they need to possess that brand which enjoys an honest reputation in the market and so when it's involving a well-known celebrity thereupon brand, It became a status symbol and consumer thinks that particular product will increase their standard of living.

Marketers make use of celebrities to endorse their products so as to relinquish their brand advantage and edge over its other competitor. But employing a star to satisfy the very purpose require deep understanding and lots of other considerations need to be weighted.

#### **Overview**

Celebrity endorsement could be a million dollar industry today. during this era, the planet of advertisement undergoes a change, from classical ways, it's converted to require a contemporary route.

This modern route requires marketers to develop strategies incorporating the weather of emotions, humor etc. the most purpose that lay behind these strategies is to urge brand exposure, attention, interest, desire and action. And so as to create these strategies into success, marketers employ famous celebrities because celebrities have the ability to make a greater impact on the consumers buying behavior.

Since a number of the celebrities have charismatic and charming looks they have public recognition and even they enjoys it a lot, because they possess extraordinary qualities like trustworthiness and attractiveness. In todays modern era every big brands uses celebrities to endorse their product as a mode of communication to connect with the consumers.

As consumers, we are surrounded by brands; we get exposed to scores of personalities in billboards and tv. Every brand tries to capture our time to tell us about what they have to offer to us and teach us about the various attributes of the merchandise. And this is often where the challenge lies. The marketers must delve what is going to retain our attention. So to achieve the attention of the target audience the endorsement comes in picture

But this whole process of hiring celebrities and doing the product-celebrity match isn't as simple because it seems. the look of such types of campaign and so planning the way to make these campaigns successful requires an extended procedure of an in-depth understanding of the merchandise, the choice of a celeb, the target of the brand then associating the celebrity with the brand. Celebrities not only serve the aim to make some reasonably attention and also to achieve the objective of high recall and recognition. And for that to happen, Also marketers believe that when employing celebrities, they achieve creating an aspiration in consumers mind to buy what their favorite celebrities are endorsing because during this glamorous celebrities world.

Celebrities are often perceived as idols by many and other people want to follow their lead and take a look at those products which have the a image of their favorite actor or a product with whom they can connect easily as celebrities make those products more alluring and desirable.

In the world of advertisement, so as to square out from the clutter, celebrity endorsement is considered the foremost effective tool which will do the duty. this method of involving celebrities with a brand may be a winning formula to make the brand and enhance its value. However, it is relatively easy to pick a celeb for a brand but rather very hard to make a robust link between the brand and therefore the endorsement. and so, it's for this reason, it's rightfully said that celebrity endorsement could be a two-edged sword, if properly prohibited it can do wonders for the company and if not handled properly it can destroy the image of the corporate and therefore the brand itself.

### **Problem statement**

- How the audience treat a product which are endorsed by a celebrity?
- Does celebrity endorsement encourage customers to take buying decisions?

### **Significance of the study**

Celebrities add taste to the advertisements and make them interesting in the eyeballs of the millions. It gives a different image to the brand picture and add a fast acknowledgment. Celebrities Endorsement makes an ad more appealing and influencing the people and it directly targets the fans of that particular celebrity. The influence of the celebrity endorsement and its impact on the more youthful eras has been an issue for a long while.

The need of this study is to understand whether celebrities have some influence over consumers and if yes, then how it will affect the youthful era and their consequences.

## Objectives of the study

The main reason why I choose this topic for my research thesis because I wanted to find the answers for the following questions

- ➤ What impacts does celebrities have on the target audience and their buying decision?
- ➤ Does people change their buying decision just because their favourite celebrity endorsed a particular product?
- ➤ What is the views of the public on celebrity endorsement?
- ➤ is it beneficial for the brand to endorsed their product by a well-known celebrity.
- ➤ To judge the effectiveness of celebrity endorsement in female segment in the field of cosmetics.

## Research Justification

### Academic Justification:

Many research conductors have already studied on this topic in the span of past few years over this concept of celebrity endorsement. Researchers have touched many new issues that are already found in endorsement by celebrities like bad image of celebrity or bad publicity etc. United States, uk and Indian market is majorly focused while conducting research on this topic of celebrity endorsement.

The main reason for choosing this subject is because so far no research has been conducted on the impact of celebrity endorsement on the consumers buying intention within the sector of cosmetics covering all areas of Karachi and also to test how female segment answer cosmetics brands.

### Business Justification:

Celebrity endorsement has become a awfully effective strategy to market a product and also it provides a competitive aged over competing brands during a highly competitive surrounding. From a awfully very long time, celebrities are often used as role models especially within the areas of private appearance and within the domain of cosmetics.

Loreal spends over \$ 1.7 billion a year on its advertisement just to take care of their image. Same is the case with its cosmetics. we'll not be able to differentiate a L,Oreal ointment and a Olay one, if they weren't spending handsome amount of cash on their celebrity endorsed advertisement.

### Limitations of the study:

As we all know that every research paper has some limitations so it is important to accept,

The limitations of this study are:

- If I talk about the impact on whole India so for that the sample is very small to represent the whole population of the country so the study might be not having the exact testimonials.
- Majority of my sample is college students and young people so I cannot say that the result would be representing every age group
- All the sample are taken from the educated people from urban area as the rural remain untouched
- The study was totally based on the numbers and the qualitative approach is being ignored
- There are so many cases in which the respondent fills the questionnaire without even reading thus it affect the results.
- The whole study was only restricted to the single city of India ( Noida).

## **CHAPTER – 2**

### **CONCEPTUAL BACKGROUND AND LITERATURE REVIEW**

#### **CONCEPTS AND MEANINGS**

##### **Celebrity Endorsement**

McCracken argues that celebrity endorsement one in all the ever-present feature of the trendy day marketing. Majority of the advertisement companies make use of celebrity endorsement to endorse their products or brand.

As it has been observed that celebrity endorsement could be a very persuasive communication technique because it's the ability to draw attention, make the advertisement stick into their memories of the purchasers and celebrity endorsement add barely of desirability and glamour to their endorsed product.

Endorsements could be of the following four types:

- Explicit
- Implicit
- Imperative
- Co-presentational mode

##### **Celebrity endorsement as a marketing tool:**

When we talk in terms of the angle of selling communications, it becomes immensely vital to form such strategies that provide competitive differential advantage to its products that lead to creating positive effects within the consumers mind. (Erdogan and Baker 1999) states that celebrity endorsement is that the most generally used marketing strategy.

Companies spend lots of cash to rent celebrities to endorse their products, Marketers try and align these characteristics of celebrities with their products.

(Farrell 2000) states that celebrity endorsement brings about positive financial gains for the company. Many researches are conducted on the endorsements done by celebrities, many of which proves that this method has provided the corporate with positive effects, but in some cases researchers mentions that celebrity endorsement doesn't work all the time and don't get the marketers their desired results. In fact, some times the advertisements using celebrities don't converge the expectations of the advertiser.

It was initially considered that celebrity endorsement may be a win-win strategy with no risk involved, but this was proved wrong and a number of other potential hazards were spotted during this strategy.

##### **Positive effects of celebrity endorsement:**

Competition is increasing between the firms to draw in more consumers towards their brands, celebrities are increasingly employed by the marketers to endorse their products. In 2015 mentions that featuring a famous personality helps markers in solving the matter of over communication.

Celebrities due to their well knowness can assist advertisements to become more popular and increase the effectiveness. Celebrity endorsement helps in enhancing the positive image of brand.

Celebrity endorsement can even encourage be a strong tool in entering foreign markets, it helps the company to beat numerous issues.

It is also seen that those products which are advertised by actors are more effective than others competing products thanks to their high level of recall and celebrities also create an effect in consumers mind by making the advertisement memorable so it may be easily retrieved at the time of shopping.

Lastly, celebrities who appear in any advertisement for endorsing a product, they're actually capable of breathing life in a very falling brand and may help that falling brand to rise, so as words.

### **Negative effects of celebrity endorsement:**

However celebrity endorsement has countless benefits but there also are certain risk factors that are related to celebrity endorsement as a marketing strategy. Negative publicity regarding the celebrity could be a major risk with endorsing a celeb.

Negative publicity a few celebrities endorsing a brand can change the perception of the patron this celebrity and it should also damage the brand reputation resulting marketers to pay an enormous price over the celebrity's misdeeds and face serious humiliation and embarrassment.

### **LITERATURE REVIEW:**

Different marketing strategies and branding strategy for promoting their product and the marketers are always in the search of finding a unique way to entertain their target audience so the audience acknowledged them. Celebrities Endorsement is one of these persuasive means of promoting a brand. Today the marketing specialist recognize it very nicely that the celebrities plays an important role in the life of their fans and they also make the ads more interesting and appealing.

#### **Historical and current perspective**

From so many years, arguments is still going on with respect to the idea of celebrity endorsement or how the celebrity endorsement change the perspective of the consumer. There are so many studies also been conducted just to find out the influence of celebrity endorsement and their side effects and an impact on the buying behavior of consumers. According to a brand strategist, namely Martin Roll, he points out that there are few essential elements for celebrity endorsements. They are:

- Attractiveness
- Credibility and
- Meaning transferred between the endorser and the brand

### **Research gap filled by this research:**

This research states the gaps about the “Do celebrities influence the decisions consumers make?” will be useful in many ways:

- This research isn't conducted within the field of cosmetic segments. that the results of this research will highlight what quantity effective is that this technique of celebrity endorsement in cosmetics industry.
- This research about celebrities appearing in cosmetics advertisements isn't done before and therefore the conclusions that might be derived will help in understanding the buying behavior of the females.
- This research will help to grasp the reaction of ladies towards celebrity endorsed

cosmetic products and can help to evaluate what proportion trust women place in celebrities endorsing cosmetics products.

BRANDS	PRODUCT AND POSITION	NAME OF THE CELEBRITIES
Harpic	Bathroom Cleaner	Akshay Kumar
Colgate	Max Fresh	Ranveer Singh
Myntra	Myntra Studio	Kiara Advani

## CHAPTER – 3

### RESEARCH METHODOLOGY

#### Research Design:

First, I would like to talk about the research design of this research which is deductive in nature because the main purpose was to test the hypothesis which were created and to get the final results. Moreover, the focus of the deductive approach was to understand and explain the connection between the celebrity endorsement and the buying behavior of the consumers. Therefore, quantitative approach is being used as it helps to collect large data so, I used questionnaire to gather the sample for my research. The use of quantitative method is also justified here because when the area of research topic is considered to be large and there arises a need to deduce casual relations between variables, quantitative method is used.

#### Research Approach

After designing the hypothesis, research approach may be determined next. during this study, to gain basic understanding, literatures and former researches provide insights and idea about the construction of the questionnaire. Especially questions associated with celebrity endorsement and source credibility would be designed supported the theories and conceptual framework.

#### Hypothesis:

Following are the hypothesis for my research-

H1: Celebrity endorsed advertisement is considered to be effective in terms of shopping for intention in every industry.

H2: Celebrities who are charming and beautiful positively create a quick impact on consumer's buying decision.

H3: The celebrity/product match-up positively influence consumers to buy the celebrity endorsed product.

H4: Celebrity endorsed products creates positive impact on consumers buying intention.

## CHAPTER – 4

### ANALYSIS AND INTERPRETATION

#### Instrument Selection Primary data:

**Primary data:** Gathered through the questionnaires

**Secondary Data:** Collected through newspaper, magazines, articles and textbooks.

**Software Used:** Excel and spreadsheets would be used

#### Demographic Profile of Respondents:

For this study I deliver 150 questionnaires to my targeted audience which was students, working professionals and home makers, out of which I receive 118 responses.

And I found them credible to continue my research.

Table 1:

This graph shows the gender of the respondents and we can clearly see that the most of them were male.

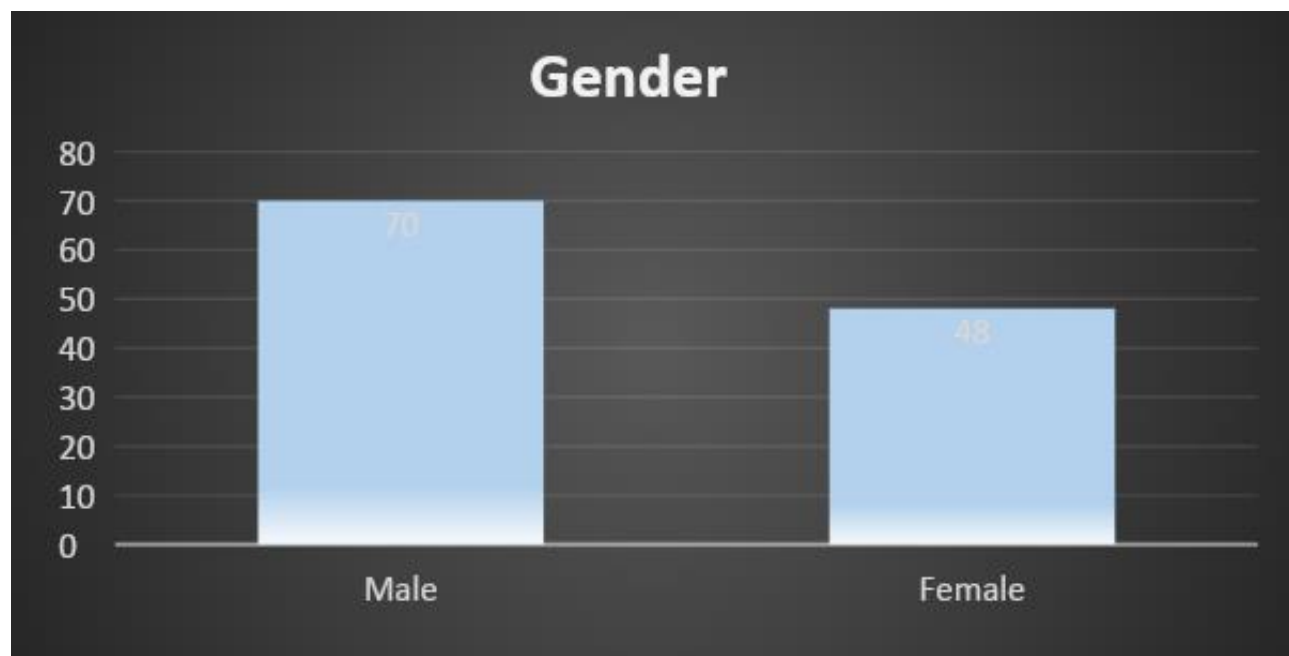




Table 2:

This table shows their qualification level.

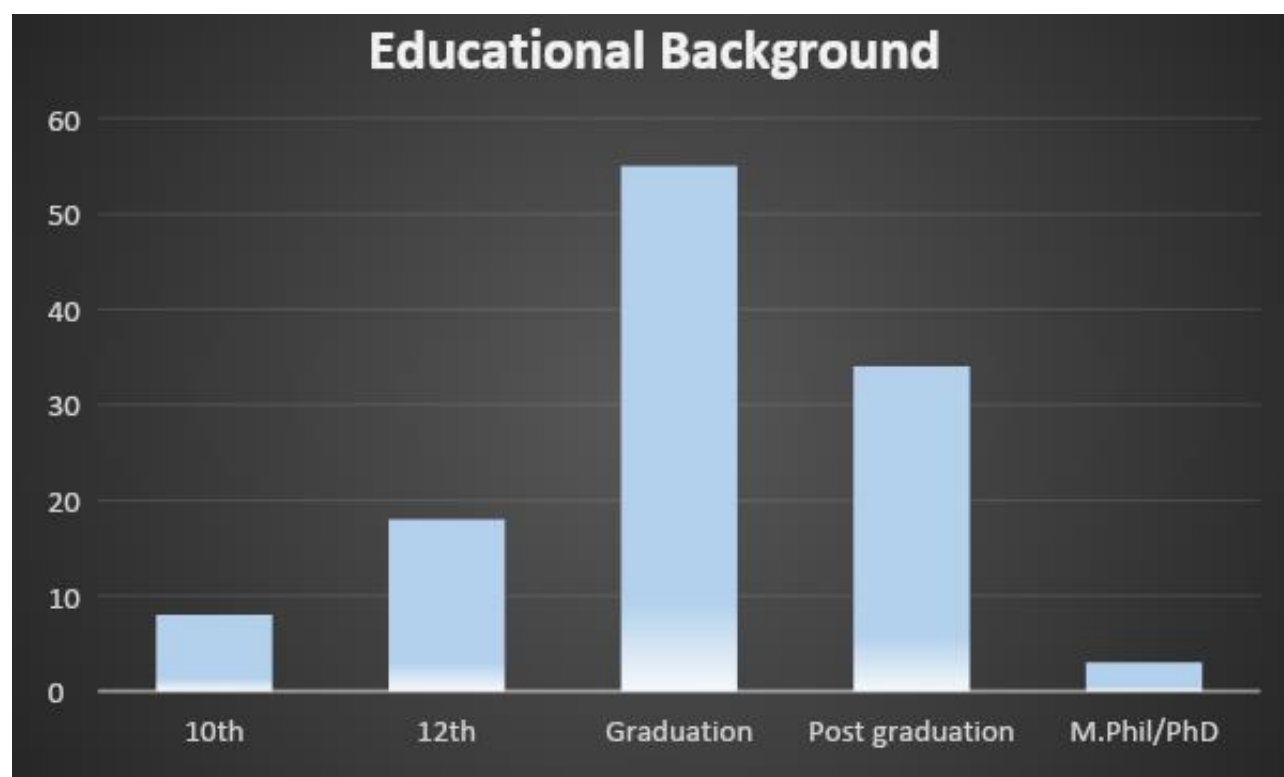
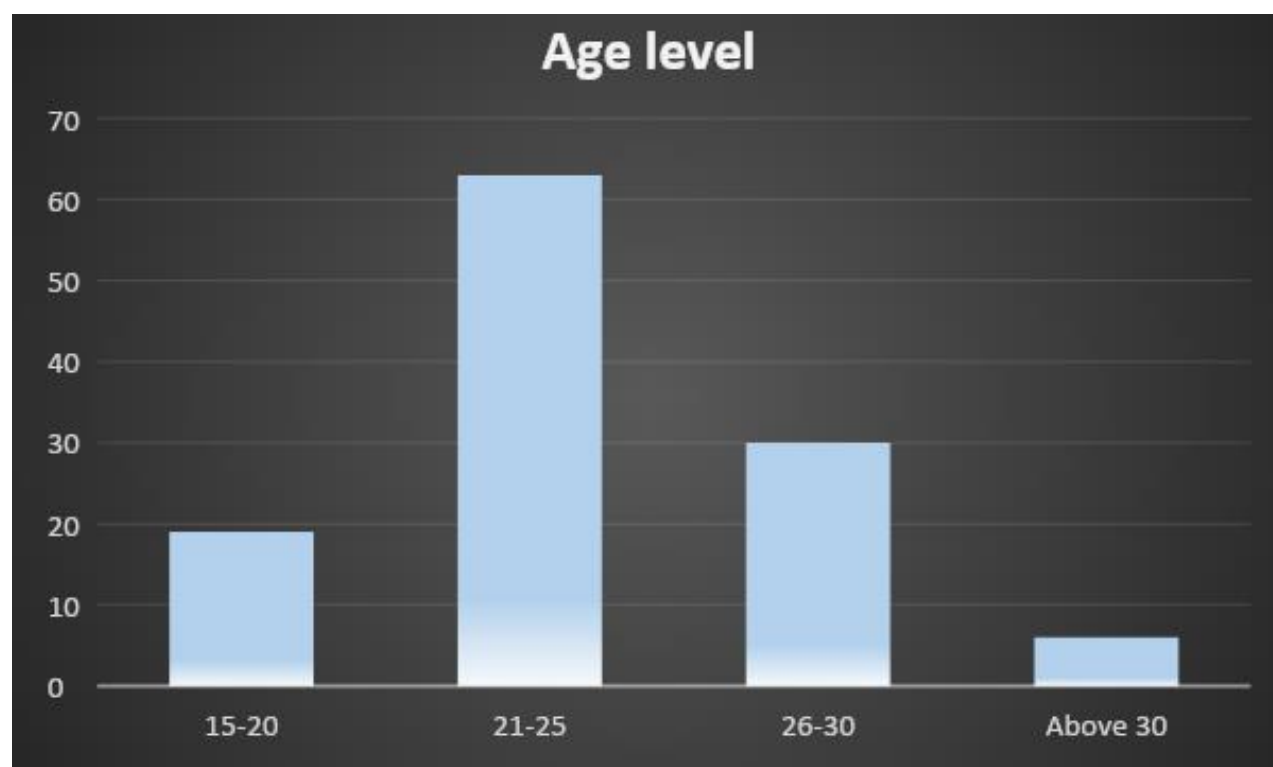


Table 3:

This table clearly express the age groups of the respondents





## CHAPTER – 5

### CONCLUSION AND RECOMMENDATION

#### Conclusion:

This study clearly shows that the demographic profile of a buyer impacts the decision. However relationship is weak that shows that customer's buying intentions are effected by the gender of endorser but to an occasional extent. That means if celebrity is attractive, trustworthy and expert it'd enhance the acquisition intentions of consumer but in a very low tendency. As far because the celebrity vs non-celebrity endorsement and multiple celebrity endorsement is concerned, it effects the buying intentions of consumer more strongly as compared to other variables. But surprisingly there are some negative and weak points also which impacts the buying decision. That shows when a celeb endorse multiple products it negatively impacts the consumer's buying intentions and consumers would reluctant to shop for such products. This study does not back and complement all the previous findings and results of the literature, but shows some similarities similarly. Responders approve the thought that a celeb makes a poster more famous, memorable and consideration. That aligned with some previous studies, which illustrates that the content ranking of a billboard is increased by employing a famous celebrity

#### Recommendations:

The study used was exploratory with convenient sampling so author doesn't claim the generalizability of the study and also the results to be 100% accurate. As we are aware that this topic of celebrity endorsement is a controversial one. So it couldn't provide thorough findings during a single research. So there's always an area for further research. In future this study are often conducted by using other different variables. A large, diverse and sample size with various distinctive demographics is tested so as to form the study more generalized. For further studies in future focus group can end up to be supportive so as to explore the each and each dimension of consumer's thought, belief and behavior. For further research additionally with the chemical analysis, qualitative approach is used like interviews and focus groups would allow a researcher to require thorough responses that may enhance the understanding and knowledge of the research probes. There might be a study in future with other different variables and there should be more in-depth study so as to know every variable more appropriately. in a very nutshell, celebrity endorsement is an energetic promoting instrument. the businesses should target selecting the foremost appropriate celebrity endorser for his or her product so as to achieve more attention and provoke the priority of consumer.

### REFERENCES

- 1) CHOI, S. and N. J. Rifon (2007). "Who is the celebrity in advertising? Understanding dimensions of celebrity images." *The Journal of Popular Culture* 40(2): 304-32
- 2) Schlecht, C. (2003). "Celebrities impact on branding." Center on Global Brand Leadership, Columbia: *Journal of Marketing and Consumer Research* [www.iiste.org](http://www.iiste.org) ISSN 2422-8451 An International Peer-reviewed Journal Vol.26, 2016 125 Columbia Business School.
- 3) McCracken, G. (1989), "Who is the Celebrity Endorser? Cultural Foundations of the Endorsement Process", *Journal of Cons*
- 4) Silvera, David H. and Austad, Benedikte. (2004), "Factors predicting the effectiveness of celebrity endorsement advertisements", *European Journal of Marketing*, Vol.38, No. 11/12