

Comparative Study on the Impact of the Celebrity Endorsement in Various Clusters of Surat District

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INTRODUCTION

Marketers try and aim at defining effective and influential ways to attract customers towards their products or services. By doing so, they use several modes through which they can communicate the message through. Celebrity endorsement is one of them.

Celebrity endorsement is not a new phenomenon. As stated by Gaied and Rached (2010), celebrities have been used to endorse and sponsor products and/or brands for over 50 years using several media including Print, TV, Radio and Billboards. In the contemporary world, people are merely exposed to the television advertisements due to their busy routine or lack of interest in watching TV but Zafar and Rafique (2012) argue that glamour of a celebrity does not go overlooked that easily. Whichever sector do they belong to; celebrities always attain public admiration due to their startling lifestyle, personality and fame.

Daneshvary and Schwer (2000); Tripp, Jensen and Carlson (1994) state that sometimes, celebrities can have negative influence on the product and consumers buying intentions as well. Their research also explained that the negative influence was mainly due to information level of the customer i.e. higher a customer is informed, lesser stimulus. Moreover, Bauer, Stokburger-Sauer and Exler (2008) support these opinions and say that consumers are deeply influenced by the behaviour, attitude and actions of a sports celebrity. Positive behaviour creates a constructive appeal towards the brand and negative activities lead to customer detest. So, it can be safely said that a customers buying intent is closely linked to the performance and persona of the sports endorser.

As it is not a new concept and a lot of research has been done in this field making it quite wide and interesting. In fact, in the eighteenth century there was a potter with the name of Josiah Wedgwood who was

famous for his artistic design in pottery and staunch production system. He was the first one to use celebrity endorsement ever recorded (Dukceovich, 2004). The reason why he was so distinguished is based on the persuasive marketing strategy he adopting by utilising an association with Queen Charlotte of that time who used to buy crockery from his pottery. Wedgwood skillfully attached the slogan of 'Potter to Her Majesty' to his pottery and increased the prices as a novelty product.

In India celebrities are the role models for majority of Indians, they tries to follow their styles, clothes and their small habits. Celebrity endorsement is most acceptable and common phenomenon that companies use to attract their consumers across the world. They believe that celebrities can influence the purchasing decision of their prospect consumers as they have special places in the heart of consumer. Therefore after analyzing the degree of involvement to follow the celebrities, the companies started hiring various bollywood and sports stars for the commercial advertisements. Sharukh Khan, Aiswarya Rai, Amitabh Bachchan, Saurav Ganguly, Salman Khan & Rahul Dravid, Sachin Tendulkar, these names have become symbols of the role of endorsers in advertising. Firms spend millions of dollars to sign up celebrities to endorse their products. Some popular endorsers such as Sachin Tendulkar earn as much as \$40 million a year from endorsements alone. Endorsement contracts are now so lucrative that many professionals in sports and entertainment direct their careers to this end. In some sports, such as track and field events, winning at the Olympics has pretty much become a means to subsequent endorsement contracts.

That is why the promotional budget for advertising has taken many financial folds compared to past investments. The companies invest billions of Rupees over hiring a celebrity for their product promotion. Firms spend all this money on endorsements because

finding the right celebrity endorser for their products can pay tremendous dividends. Such endorsers are seen as dynamic with both attractive and likeable qualities and companies plan that these qualities are transferred to products via marketing communication activities. Furthermore, because of their fame, celebrities serve not only to create and maintain attention but also to achieve high recall rates for marketing communication messages in today's highly cluttered environments. Theory and practice prove that the use of super stars in advertising generates a lot of publicity and attention from the public (Ohanian 1991). Therefore, Celebrity endorsement has been established as one of the most preferred tools of advertising. It has become a trend and perceived as a winning formula for product marketing and brand building. It is very easy to have a celebrity for a product or brand but it is very tough to establish a very strong association between the product and the endorser: because the objective is to build a brand not the celebrity: if properly matched it can do wonders for the company, but it also has a number of potential problems like failure of celebrity in his profession, controversy, etc

LITERATURE REVIEW

Marketers are very well aware of the appearance that celebrities have in the common world and also know that how persuasive they can be to their audience. Schlecht (2003) defines 'Celebrity' in a profound way as:

"Celebrities are people who enjoy public recognition by a large share of certain Group of people."

The keywords to be observed here is 'certain group of people' as the person could be a superstar in one region or area of the world and unknown in another. McCracken (1989) further classifies the term and defines 'Celebrity Endorsement' 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"

McCracken (1989) suggested four different modes of celebrity endorsers namely, Explicit mode, Implicit mode, Imperative mode, and the Co-present mode. In the explicit mode, the celebrity announces the endorsement of a product, while in the implicit mode; the celebrity uses verbal or physical communication for the product. In the imperative mode, the celebrity

suggests the audience to use the endorsed product while the celebrity only appears with the product in the co-present mode.

Celebrity endorsements help to break the clutter and differentiate the brand. It also helps in image repair of a brand (Kaikati, 1987). Celebrity helps in increasing profitability of the organization. In fact, celebrity endorsement is more effective than non-celebrity endorsement in generating attitudes towards advertisement (AAD), attitude towards brand (AB) and purchase intention (PI) (Erdogan, 1999).

Celebrity endorsements is been accepted to be a —ubiquitous feature of modern day marketing (McCracken 1989). It has also been seen that one quarter of all advertisement use/feature a celebrity to endorse a product or brand. This validates the effectiveness of Celebrity endorsements as a means of persuasive communication. It has the potential to enhance audience attentiveness, make the ad more memorable, credible, and desirable and add glamour to the endorsed product (Spielman, 1981).

Lehu (2006) proposes that in the olden days of cinema, film and TV stars were considered to be among the heart favourite of general population due to their fame, roles and physical attributes but this image has changed over time. People are inclined more towards the personalities of celebrities, what is happening in their lives, what places do they visit often and what products do they generally use. In short, there is more access to information related to the celebrities these days.

Customers are more knowledgeable in this era and have a wide view of choice which includes value for money, product variety, features and quality. With this view, advertisers need to choose a seamless mode of communication that is well targeted and defines the purpose clearly while creating a positive appeal (Pralhad and Ramaswamy 2004).

OBJECTIVES

1. To find out the celebrity endorsement factors that has significant impact on customer perception in Surat District.
2. To find out the association between extracted factors and demographic factors considered under study.

3. To find out the gap between expected performance from celebrity and actual satisfaction customer perceived from celebrity.
4. To compare the average performance of celebrity endorsement impact in various clusters of Surat district.

RESEARCH METHODOLOGY

Introduction

Research Methodology involves the systematic procedures by which the researcher starts from the initial identification of problem to its final conclusions. The role of the methodology is to carry on the research work in scientific and valid manner. The methodology consists of procedures and techniques for conducting a study. Research procedures are of little value unless they are used properly. The tools and techniques will not get work done. The proper use of research method must be learned by the researcher.

Research Methodology involves such general activities as identifying problems, review of literature, formulating hypothesis, procedures for testing hypothesis, measurement, data collection, analysis of data, interpreting results and drawing conclusions.

The main focus of this chapter is the research design for this study. It describes the methods used and how the data was collected to address the aims and questions of the research. It begins with the statement of the problem. Need and scope of the study, objectives of the study, Nature of Research, The Hypothesis, Unit of the study, Sample Selection, Sources of Data, Data collection method, Data collection tools, Tools and Techniques of Data analysis.

Statement of the Problem

The identification and analyzing a research problem is the first and most crucial step of research process. A problem cannot be solved effectively unless a researcher possesses and insight to isolate and understand the specific factors giving rise to difficulty. Celebrity plays an important role in effective advertising where people are more prone to buy the products on the basis of their favorite super star. Now the question arises of which type of celebrity and which type of brand has impact on each other. So the research is trying to solve the problem of whether there is an impact of celebrity

endorsement on customer perception towards a product/services.

Research Design

Descriptive research design has been used in this study which includes survey and fact finding enquiries of different kinds. The major purpose of descriptive research is description of the state of affairs as it exists at present. A descriptive research design has been used to examine the impact of celebrity endorsement on customer perception in Surat district. The descriptive part has presented the demographic characteristics of the respondents as well as their customer perception rating on the different variables.

The Hypothesis

A scientific study is based on hypothesis. This approach clearly establishes the nature of the problem and the logic underlying the investigation. The hypothesis indicates the expected outcomes of the investigation. The formulation of the hypothesis in advance of the data gathering process is necessary for an unbiased investigation. In this research, researchers have formulated hypothesis on the basis of age, gender and experience of the respondents.

The following hypotheses were formulated based on the variables and objectives of the study. These were stated in null hypothesis form as “A null hypothesis states that there is no significant difference or relationships between two or more parameters. It concerns a judgment as to whether apparent or relationships are true differences or relationships or whether they merely result from sampling error”

1. H_0 : There is no impact of celebrity endorsement on customer perception in Surat District
2. H_0 : There is no significant association between customer perception and various demographic variables.
3. H_0 : There is no significance difference in mean rank between actual and expected customer perceived value for celebrity endorsement.
4. H_0 : There is no significance difference in mean rank among various clusters under study for celebrity endowment.

Unit of Study

After finalizing the variables and hypothesis of the present study, consideration was given to whether the entire population is to be made the subject for data

collection or a particular group is to be selected as representative of the whole population. The Target population (Unit of Study) of this study included general people of all the Surat district.

Sampling Techniques

There are two types of Sampling Designs; Probability and the Non-Probability Sampling. Probability Sampling is the type of sampling whereby the elements in the population have some known chance or probability of being selected as sample subjects. Meanwhile, the non-probability sampling is where the elements do not have a known or predetermined chance of being selected as subjects. Initially Probability sampling like Cluster Sampling has been used to collect the Data.

Researcher has divided area with different TALUKAS of Surat district of Gujarat. There are total 9 TALUKAS and Non Probability Convenience sampling has been used further with equal sample size of 50 from each TALUKAS. Total Sample size is 550 including 100 sample size for Surat city itself.

Sources of Data

Data collection remains an integral part of research design and an important aspect of research design. Ability to achieve the research aims and answer the research questions depends on the effectiveness of data collection. There exists many ways in collecting data such as primary and secondary data.

Primary data refers to data collected by the researcher. Collection of primary data is expensive, time consuming and difficult. But, it is reliable data source since the researcher collects only that much information which is relevant. Related data were collected from general public who watch Television advertisements. Initially secondary data has been used by the researcher to get the information about the concept of celebrity endorsements. Then primary data has been used to collect the response from the respondents.

Data Collection Method

The data required for the purpose of the study have collected through Survey method like personal survey. For the purpose of this study, Questionnaires have been used as the research instrument. Questionnaires are a set of questions developed to gain necessary data to answer the problem of the study.

The advantage of using questionnaires is the fact that the researcher can collect all the completed responses within a short period of time. In addition to that, administering the questionnaires to a large number of respondents is time efficient as well as less expensive.

Data Collection Instrument

The most common approach to measuring customer perception involves the use of questionnaires in which highly specialized rating scales are completed. Using this method, people answers questions allowing them to report their reactions to their customer perception. Several different scales have been developed for this purpose. By far, the most common method for collecting data regarding customer perception is the Likert scale. Other less common methods of for gauging customer perception include: Yes/No questions, point systems, checklist, forced choice answers. A Research tool plays a major role in any worthwhile research as it is the sole factor in determining the sound data and in arriving at perfect conclusions about the problem or study on hand, which ultimately, helps in providing suitable remedial measures to the problem concerned.

Structured questionnaire has been used to collect the data from the respondents. There are approximately 30 questions in questionnaire which is divided in two parts. In that first part of the questionnaire is to collect the data about the personal details which includes Age, Gender, Qualification, Family Type, and Marital Status, the second part is about professional details which include questions related to study variables of customer perception which includes following variable like likeability, Personality, Trust, Relevance etc. This includes 5 point likert scale questions. From Strongly Agree to Strongly Disagree. Other question includes multiple options checklist questions, and open ended questions.

Tools and Techniques of Data Analysis

The next steps in the process of research, after the collection of data, are the organization, analysis and interpretation of data and formulation of conclusions and generalizations to get the meaningful picture out of the raw information collected. The analysis and interpretation of data involve the objective material in the possession of the researcher and his subjective reactions and desires to be derived from the data.

The mass data collected through the use of tool need to be systematized and organized, i.e., edited,

classified and tabulated before it can serve the purpose. Here, editing implies the checking of gathered data for accuracy, utility and completeness; classifying refers to the dividing of the information into different categories, classes or heads for use; and tabulating denotes the recording of the classified material in accurate mathematical terms, i.e., marking and counting frequency tallies for different items on which information is gathered.

Analysis of data means studying the tabulated material in order to determine inherent facts or meanings. It involves breaking down the existing complex factors into simplex parts and putting the parts together in new arrangements for the purpose of interpretation.

Data has been gathered and analyzed using descriptive statistics which helps to understand and summarize the data. The summary statistics has been represented by tabular form. Thus based on the responses of the teachers their customer perception score has calculated using various statistical techniques as follows:

1. Factor Analysis
2. Regression Analysis
3. Chi square goodness of fit test
4. Chi square test of independence
5. Kruskal Wallis Test,
6. Cross Tabulation, Multi response Analysis

Statistical Tools Used:

1. MS- Excel
2. SPSS 21

CHAPTER SCHEME

Chapter One (Introduction of Celebrity) introduces the concept of brand management, celebrity endorsement by outlining the research in historical perspective considering aim of advertising, brand patronage, four Qs. It further describes the celebrity endorsement roots and risks involved.

Chapter Two (Critical Review of Literature) critically examines the literature available on this topic. The chapter further tries to critically examine the methodology and results of similar studies conducted and identifying gaps in existing literature and concludes by providing a conceptual framework for undertaking this study.

Chapter Three (Research Methodology) discusses in detail the methodology undertaken to carry out this research work. The chapter begins with the problem

statement and objectives of the study. The chapter then discusses various sources of data required for undertaking analysis. The chapter includes the methodology of collecting primary data, the categories of respondents, the sample size, sampling techniques are discussed in detail. It discusses the design of instrument used (questionnaire) for data collection and scale used for measuring the required variables. The sampling techniques used and total number of responses collected is discussed in detail. In the end, the chapter presents Limitations of the Study.

Chapter Four (Analysis and Interpretation) is going to present the data analysis and interpretation on tentative statistical tests applied for the analysis.

Chapter Five (Major Findings Suggestions Conclusion) will conclude the research by summarizing the major findings, suggestions recommendation and conclusions. It also highlights the future scope of study

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