

Analysis of Impact of Celebrity Endorsements on Consumer Buying Behaviour

Sybba-G

Admin Group 5

Submitted To: Dr. Yogesh Funde

Submitted by:

Shivam Mahana: 21

Manvi Mehta: 22

Maria Shaikh: 23

Mehnaz Ali: 24

Miloni Shah: 25

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ABSTRACT

The topic of research for this paper is analysis of impact of celebrity endorsements on consumer buying behavior. Today, a lot of products are available in the market and hence it has become difficult for people to differentiate amongst products. In India a celebrity idolizes in the mind of the consumer so large that any activity can be capitalized on their huge fan following. This research aims at finding the impact of Celebrity endorsements on Buying behavior of consumers of different gender, age, occupation, income level etc. This research is a combination of descriptive and exploratory research. The sample size selected for this research is 120 respondents out of which 67 are female (56%) and 53 are male (44%). Primary as well as secondary research is conducted for this study. The data collected from the respondents has been analyzed using descriptive statistics, one sample test, Chi-square tests. In the conclusion, we found that Celebrity endorsements help create awareness but have no direct impact on Consumer buying behavior. The Various attributes of a celebrity affect consumer buying behavior in different variations. Celebrity endorsements are not as important as factors such as Price and Quality while buying a product. Overall, consumers feel that claims made by such celebrity endorsements are not believable. On the other hand, consumers are very likely to abstain from buying certain products due to the celebrities who advertise them.

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CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Today, a lot of products are available in the market and hence it has become difficult for people to differentiate amongst products. Marketing has been one of the best tools to differentiate. Marketing techniques have been changing with time. From last 150 years advertising has been changing. The intense use of celebrity endorsements as a tool of advertising strategy has increased in the past few years. (Okorie 2010) (O. & Aderogba 2011)

In India a celebrity idolizes in the mind of the consumer so large that any activity can be capitalized on their huge fan following. (Erdogan 1999) Famous personalities have a great influence on the consumers buying behaviour and that is why it becomes the most attractive tool of advertising. Using well-known and admired people to promote products is a widespread phenomenon with a long marketing history. (Cracken 1989)

CELEBRITY ENDORSEMENT- Celebrity endorsement is a particular strategy used by marketers to advertise a product from such a platform through which consumers can associate themselves with the brand value from the perspective of the celebrity personnel. (Kotler 2006)

BUYING BEHAVIOUR- Consumer buying behaviour is the study of the ways of buying and disposing of goods, services, ideas or experiences by the individuals, groups and organizations in order to satisfy their needs and wants. (Keller 2011)

BRAND PERCEPTION- Brand Perception is the interpretation of a brand by a consumer based on sensory information gathered through interactions with it. Brand perceptions can either be positive, negative or neutral. Celebrities and their attributes often affect the way in which a consumer sees a particular brand. The goal of any brand is to create a positive and emotional bond with a consumer. Brand perception is basically how a consumer thinks, feels and reacts to a brand.

1.2 Review of Literature:

(Ms. Anmol Randhawa, 2014) assessed the impact of celebrity endorsers on buying behaviour of consumer, with a special reference to the FMCG Sector. The author has made the study empirical in nature, where consumers of different age groups (mostly young generation) were asked to give their views about the influence of celebrity endorsement on consumer buying behaviour. It is concluded that celebrity endorsement enhances product information and creates awareness among consumers and helps them recall the brands of the endorsed products. Additionally, she proved that celebrity endorsed ads persuade customers to purchase products rather than non-celebrity endorsed ads, comic character ads, executive ads and fiction ads. (Rizwan Raheem Ahmed, 2015) examined the relationship between Celebrity endorsements and consumer buying behaviour. It is finally concluded that there is a significant relationship between celebrity endorsement and buying behaviour. Respondents clearly showed that they do buy those products and services, which are endorsed by the celebrities. Results show that the celebrity endorsement has reasonable impact on customers as per their attitude and buying intention. (Widarto Rachbini 2018) had studied the Influence of Celebrity Endorsements on Purchase Intention and the qualities of a celebrity that affect Purchase intention. The data used in this study is the primary data. The data is itself collected directly by the researcher to answer the problem or research objectives. A survey was conducted in Indonesia by using a structured questionnaire. The questionnaire was self-administered. 100 respondents took the survey. The findings reveal that celebrity endorsement has a positive and significant impact on purchase intention, and the three dimensions (attractiveness, expertise, and trustworthiness) play an important role on forming celebrity endorsement variable.

(Humaira Mansoor Malik, 2016) explored the impact of celebrity endorsements on consumer's buying intentions. It also discovers the thoughts of Pakistani customers about celebrity advertisements. The study also aimed to discover the impact of different factors of a celebrity endorsement on consumer buying behaviour. Quantitative approach has been used for the same. The data has been collected using a questionnaire(150 respondents) and analyzed using the SPSS Software. It has been concluded that certain factors like gender, attractiveness, credibility, endorser type and multiple celebrity endorsement have proven to be effective with respect to buying intention. Multiple product endorsement has a negative relationship with consumer buying behaviour. In the end the study shows that the overall impact of Celebrity endorsements on Consumer buying behaviour is positive.(Uttera Chaudhary, Ankita Asthana, 2015), have explored in the area of trying to find the influence of celebrity endorsement on consumer brand loyalty, to find out how important celebrity endorsement is to consumers and does it affect their awareness and responsiveness towards the Brands and to find out the

consumers' perception towards the effectiveness of celebrity endorsements. Descriptive research design is adopted in this study. Primary data was collected with an aid of a Questionnaire distributed through online channels. Secondary data was collected from the internet, articles from scholarly journals and books. It becomes clear that the use of celebrities to endorse a marketing offer are perceived to enhance the awareness, responsiveness and brand image of products and creates a connection which forces a consumer to patronize a product. It is the combination of several factors especially the price and other elements that work together for the success of a brand and its acceptance in the minds of consumers as well as for its market offering.

(Deepika Chhajjer, Kanchan Naidu, Neeta V. Shah, 2015) examined the relationship between Celebrity endorsements and consumer buying behaviour. They also analysed whether celebrity endorsements affect buying behaviour of the people and checked whether there is a shift in their behaviour because of celebrity endorsements. They collected data using Questionnaires as the primary source of data and surveys magazines etc as the secondary source. They concluded that People don't believe much in such ads because the celebrities these days are endorsing any product if it pays a lot. The popularity and the credibility of the actors play a very important role in convincing people. Since, actors these days endorse a lot of products people are losing their faith in them. Even though the impact of celebrity endorsements focuses on business growth, the brands without celebrities and popular personalities have been equally received by the customers. The attractive advertising campaign and product tag lines and captions have a major influence on the customers to avail these products.

1.3 Research Objectives:

- To study the impact of Celebrity endorsements on Buying behaviour
- To analyze the current perception of students and professionals for celebrity endorsements while purchasing a product
- To examine which factors/attributes of a celebrity affects the brand perception and purchase behaviour
- To know which kinds of celebrity persuade consumers the most to buy a product
- To find which types of products do consumers prefer to buy if they are being influenced by a celebrity endorsement

CHAPTER 2

RESEARCH METHODOLOGY

2.1 Research Design:

This research is conducted to study the impact of Celebrity endorsements on Consumer Buying behaviour. To collect data, the research design of this research is a combination of descriptive and exploratory research. Research Design constitutes the blue print for the collection, measurement and analysis of the data. There are 4 main types of research design; Descriptive research, Causal research, Explanatory research and Exploratory research. Descriptive research because it aims to describe the impact of celebrity endorsements on consumer buying behaviour. It also aims to study the impact of various attributes of a celebrity on Consumer Buying behaviour. Normally, descriptive research answers the questions what, where, when, who and how. Exploratory research is conducted to get better understanding of the level of awareness that people have towards Celebrity endorsements. Descriptive research can be carried out in 2 ways that is by Cross-sectional studies and Longitudinal studies. This research is carried out by using Cross Sectional study, and further under cross sectional studies, single cross sectional studies have been used, where segments of the population is selected and data is collected from them only once at a particular period of time.

2.2 Sampling design

2.2.1. Population

For the research purpose, the population selected was all those people who purchase products . Population is the group that the researcher is interest in collecting data from. As it isn't possible to collect data from all people who purchase products , this study can't be acens us study and there for e-sample study is conducted. The sample chosen will be the part of the target population and will represent the population.

2.2.2 Sampling Method

Sampling can be done in 2 ways: through probability method or through non-probability method. Under probability method every unit in the population has a known chance of being selected whereas under non-probability method of sampling units in the population do not have a known chance of being selected as a sample.

The study conducted uses non-probability method of sampling because the researcher doesn't have access to a database of all people who purchase products and therefore probability sampling isn't feasible. (Uma Sekar)

The type of sampling used is convenience sampling, which is a type of non-probability sampling. Respondents that were selected to be the sample and provide the data were friends, peers, colleagues and relatives of the researcher. Snow ball sampling has also been used, as the friends and peers that had been previously selected as per the convenience of the researcher, further referred their other friends and colleagues. Data was collected from them too.

2.2.3. Sample Size

The sample size selected for this research is 120 respondents out of which 67 are female (56%) and 53 are male (44%). They represent various age groups, different occupations and have different income levels. Thus the sample can provide true findings as all units of the sample are not similar.

Age groups	Gender	Occupation	Income per month(in Rs.)
0-15	Male	Student	0-15,000
16-25	Female	Home Maker	16,000-50,000
26-40	Other	Salaried Job	50,000-75,000
41-60		Business	Above 80,000
Above 60		Professional	
		Self Employed	

Table 1

2.3 Data Collection Methods

Primary as well as secondary research is conducted for this study. Secondary research is conducted to understand what is already known about the Impact of Celebrity endorsements by studying previous research studies. Through primary research, quantitative and qualitative data has been collected. Quantitative data is data that can be expressed in numbers whereas qualitative data is data that can't be measured in numbers. For quantitative data the data collection method was survey and tool used was questionnaire. The questionnaire was structured and unconcealed, as there spondents knew the purpose of the research and there were fixed set of close end questions asked in the questionnaire. The questionnaire was in the form of a web-page survey, Google

Forms and a link was sent to the respondents to fill the survey.

[https://docs.google.com/forms/d/e/1FAIpQLSf0d2b7TxusAdv0h7_v1UVTz9Ou0rIq7ysKf36V6vCinVRkeQ/vi
ewform?vc=0&c=0&w=1](https://docs.google.com/forms/d/e/1FAIpQLSf0d2b7TxusAdv0h7_v1UVTz9Ou0rIq7ysKf36V6vCinVRkeQ/vi
ewform?vc=0&c=0&w=1)

2.4 Data Analysis tool

The data collected from the respondents has been analyzed using descriptive statistics, one sample test, Chi-square tests. Under descriptive statistics, measures of dispersion like standard deviation have been used. On the basis of these statistics conclusions and recommendations are made

2.5 Research Variables:



Figure 1

2.6 Hypothesis Testing:

Following are the hypotheses to be tested-

- H₀₁: There is no relationship between Celebrity endorsements and consumer buying behaviour (Average rating has to be less than or equal to 3 i.e., $\mu \leq 3$)
- H_{a1}: There is a significant impact of celebrity endorsements on consumer buying behaviour (Average rating has to be greater than three i.e., $\mu > 3$)
- H₀₂: All the factors have equal consideration on buying behaviour (Including celebrity endorsements)
- H_{a2}: Some factors are more important than others while purchasing a product
- H₀₃: All attributes of a celebrity impact consumer buying behaviour in equal considerations
- H_{a3}: Some attributes of a celebrity are more important and impact consumer buying behaviour more than others
- H₀₄: All types of celebrities persuade consumers to buy products equally H_{a4}: Some types of celebrities can persuade consumers to buy products more than other types of celebrities

CHAPTER 3 DATA ANALYSIS

Hypothesis 1:

- H_{01} : There is no relationship between Celebrity endorsements and consumer buying behaviour($\mu \leq 3$)
- H_{a1} : There is a significant impact of celebrity endorsements on consumer buying behaviour($\mu > 3$)

n	120
Standard Deviation	0.9867469
Standard error	0.0900773
T Test Calculated	-12.581792

Table 2

How likely are you to abstain from a product because of the celebrity who endorses it?

120 responses

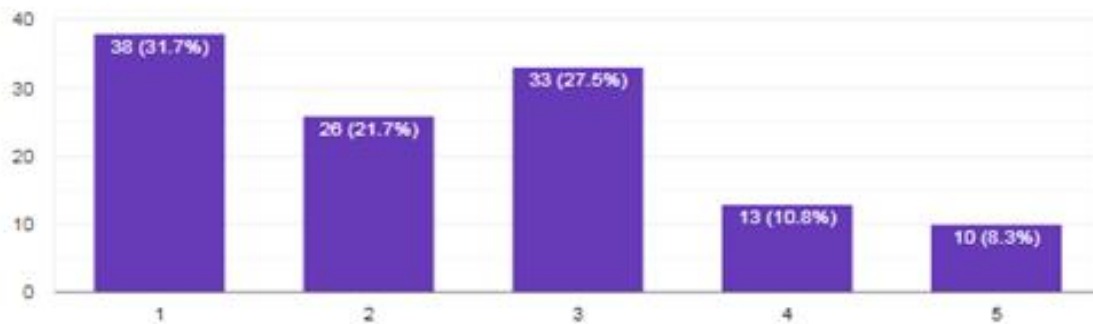


Figure 2

Would you switch from your regular product to a product endorsed by your favourite celebrity?
120 responses

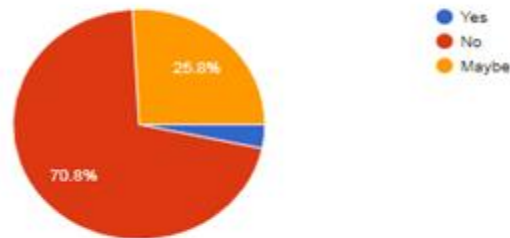


Figure 3

We accept the null hypothesis as the value of μ calculated using T test is -12.581792 which is negative and is less than 3. This signifies that there is no direct relationship between Celebrity endorsements and Consumer buying behaviour. Thus, consumers are not likely to buy a product because of the celebrity who endorses it. However, it is known that Celebrity endorsements help to create awareness of the product even if they have no direct impact on the purchasing decision of the consumer. Consumers have also said that they would not switch from their regular product to another one even if the second one was endorsed by their favourite celebrity.

Hypothesis 2:

- H_{02} : All the factors have equal consideration on buying behaviour (Including celebrity endorsements)
- H_{a2} : Some factors are more important than others while purchasing a product

Chi Square test						
Factors	Price	Quality	Brand	Celebrity endorsements	Reputation	Packaging
Observed values	42	58	3	8	5	4
Expected Values	20	20	20	20	20	20
Chi square calculated	24.2	72.2	14.45	7.2	11.25	12.8
Chi square calculated Total	142.1					
Degree of freedom	5					
Chi square critical	12.83					

Table 3

We reject the null Hypothesis as the value of Chi square Critical is less than the value of Chi Square Calculated. This means that all the factors do not have the same weightage for the consumer while buying a product. Some factors such as Price and Quality are more important than others. We see that Celebrity endorsements help to create awareness but do not induce buying of the product directly. Thus, we accept the alternate hypothesis. Consumers have ranked the factors in the following order(based on observed values):

- [1].Quality
- [2].Price
- [3].Celebrity endorsements
- [4].Reputation
- [5].Packaging
- [6]. Brand

In the following graph, 1 indicates that the factor is the most important for the consumer while buying a product whereas 6 indicates that the factor is the least important for the consumer.

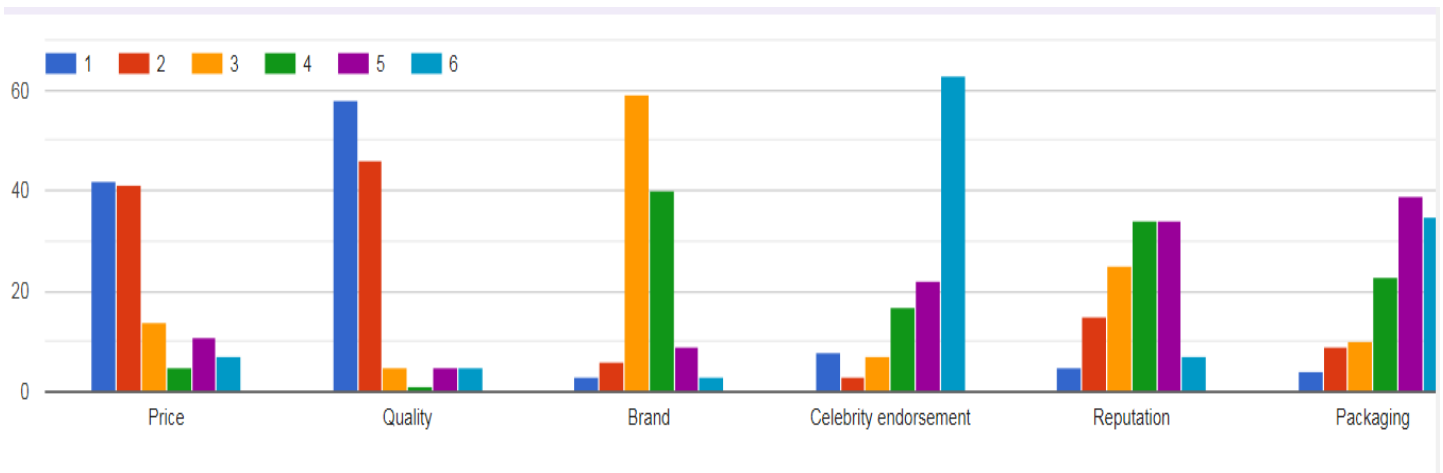


Figure 4

This analysis shows us that consumers do not follow celebrities blindly. They look for something more substantial in the products.

Hypothesis 3:

- H₀₃: All attributes of a celebrity impact consumer buying behaviour in equal considerations
- H_{a3}: Some attributes of a celebrity are more important and impact consumer buying behaviour more than others

Chi Square Test					
Celebrity attributes	Attractiveness	Popularity	Work of celebrity	Intelligence	Credibility
Observed values	24	7	11	27	51
Expected Values	24	24	24	24	24
Chi square calculated	0	12.04166667	7.041666667	0.375	30.375
Chi square Calculated	49.83333333				
Degree of freedom	4				
Chi square critical	9.48				

Table 4

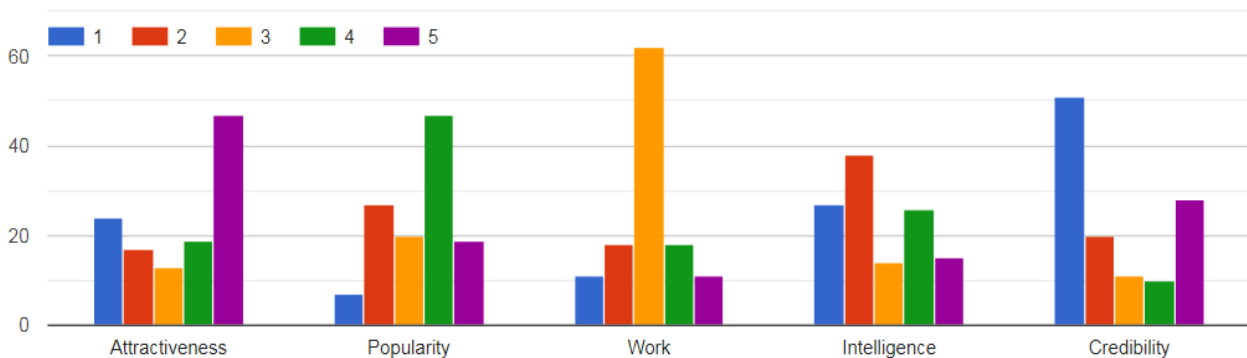


Figure 5

We reject the null hypothesis as we see that some attributes of a celebrity affect purchasing decision of a consumer more than others. The value of Chi square Critical is less than that of the Chi square calculated. Factors such as Credibility, Intelligence and Attractiveness play a more important role than the work and popularity of the celebrity. Thus, all the factors do not have the same level of impact on consumer purchase

decision. Thus, the alternate hypothesis is accepted. The consumers have ranked the attributes of a celebrity in the following order (Based on observed values):

- 1) Credibility
- 2) Intelligence
- 3) Attractiveness
- 4) Work
- 5) Popularity

Hypothesis 4:

- H₀₄: All types of celebrities persuade consumers to buy products equally
- H_{a4}: Some types of celebrities can persuade consumers to buy products more than other types of celebrities

Types of Celebrities	Film star	Sportsperson	Politicians	Social media influencers	Bloggers
Observed values	28	27	14	15	36
Expected values	24	24	24	24	24
Chi square calculated	0.666667	0.375	4.1666667	3.375	6
Chi square calculated total	14.583333				
Degree of freedom	4				
Chi square Critical	9.48				

Table 5

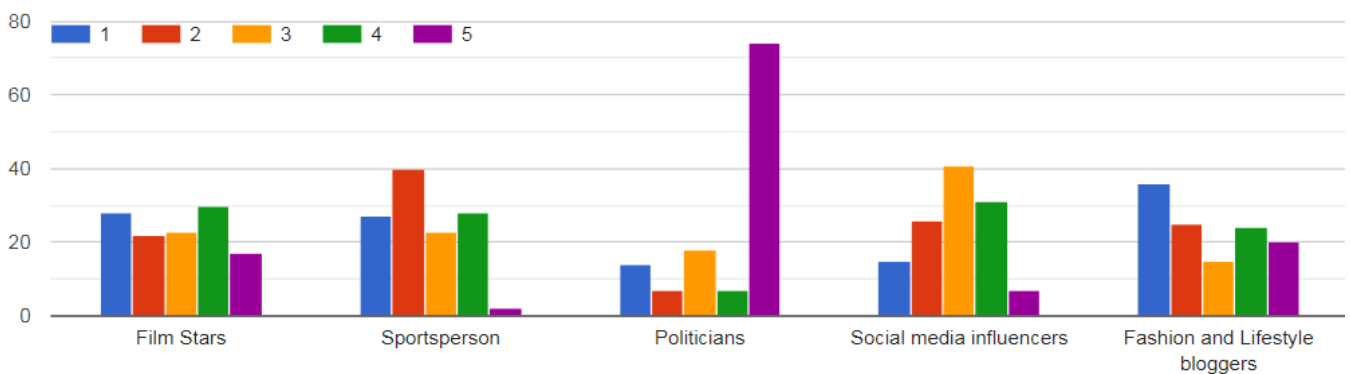


Fig 6

We reject the null hypothesis and accept the alternate hypothesis. The value of the Chi square critical is less than chi square calculated. This means that all the types of celebrities do not persuade consumers to buy products equally. Some kinds of celebrities like Bloggers have the most influence on Consumers followed by Film stars and sports persons. Social media influencers and Politicians have a relatively lesser impact on consumer buying behaviour.

Other findings:

Consumers usually prefer to buy **Shopping products** if they are being influenced by Celebrity endorsements.

	Counts
Convenience products	21
Shopping products	62
Speciality products	37

Table 6

In general, consumers think that the claims made by celebrities are not believable. They feel that such claims are false and thus are not influenced to buy the product. In the following diagram 1 indicates that the claims made by celebrities are not believable. A very low percentage of the respondents(0.8%) believe that such claims can be believable.

On a scale of 1 to 5, how believable are the claims made by advertisements having celebrities?

120 responses

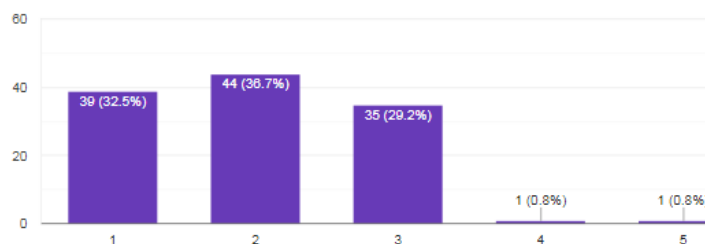


Figure 8

Chapter 4

CONCLUSION

The results of this research show that there is no direct impact of Celebrity endorsements on Consumer Buying behaviour i.e. they do not influence the purchase decision of a consumer. However, they are necessary to create awareness about the product. Consumers have also said that they would not switch from their regular product to another one even if the second one was endorsed by their favourite celebrity. Celebrity endorsements are not as important as factors such as Price and Quality while buying a product. Most of the consumers have ranked it as the least important factor. Celebrity attributes like Credibility, Intelligence and attractiveness persuade consumers to buy products more than other factors. Consumers get influenced to buy Shopping products through celebrity endorsements. Among various kinds of celebrities, Fashion and Lifestyle bloggers influence consumer purchasing decision the most. Overall, consumers feel that claims made by such celebrity endorsements are not believable. On the other hand, consumers are very likely to abstain from buying certain products due to the celebrities who advertise them.

Chapter 5

LIMITATIONS OF THE STUDY

There are certain limitations to the study conducted that may affect the validity and verifiability of the research.

➤ *Sampling Study*

The study doesn't include findings of all people who purchase products as this isn't a census study and only a sample out of the population was selected to conduct this study. Also the sample was selected as per the convenience based on non-probability methods so the findings may not be the true representation of the population and may be biased.

➤ *Place Limitation*

The research is conducted in Mumbai and thus the findings of this research may not be true for people in different cities and different countries.

➤ *Period Limitation*

The findings of the research are true for the period during which the study was conducted that is for the year 2019, but it may not be true for future time periods.

➤ *Objective Limitation*

The findings of this research are only valid for the research objectives used in this study and does not cover other factors and aspects that might affect the buying behavior of consumers.

APPENDICES

The following are the appendices to the research paper

- Blank Questionnaire
- Summarized Responses to the Questionnaire
- Hypothesis testing calculations

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