

## Customer Perception towards Celebrity Endorsement

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### Abstract

Celebrity endorsement has become very popular element in the advertisement nowadays. Corporate uses this opportunity to grab the market and for expand their operation and promotion of their brand and product. More than ten percent of television advertising includes celebrity endorsements. The purpose of this research paper is to explore customer perception towards celebrity endorsement. Nine factors were manipulated in this research paper which is attractiveness, trustworthiness, physical appearance, popularity, and image/Goodwill, and reliability, negative role of celebrity, aspiration, and brand for result. For that 100 graduates and post graduate students from Amritsar (Punjab) were taken. Result shows that attractiveness of a celebrity endorsing a particular product/brand strongly influence a customer perception and impact of product and brand are more positive on the customer buying decision compare to celebrity endorsement. So celebrities' professional accomplishments and expertise may serve as a logical connection with the products, and consequently make the endorsement more believable to consumers.

**Keywords:** Celebrity Endorsement, Attractiveness, Brand value, Factor Analysis

### Introduction

Nowadays marketing communication has become multicolored and inundated with advertisements but it is hard to get noticed. It is not an easy task for the designer of an advertisement campaign to frame unique, eye catching and ground breaking advertisements. Technique of brand endorsement by a Celebrity in an advertisement and its overall impact on the brand is of great importance (*Qurat-Ul-Ain Zafar, 2012*). Any individual who enjoys public recognition is Celerity and when he uses this recognition on behalf of a consumer good by appearing with it in an advertisement he becomes celebrity endorser (*McCracken, 1989*) and appealingly the prospective buyer of the particular product or brand. Endorser's credibility is a frequently used approach in an advertising to influence consumers' approach towards the advertisement, product evaluation, and procure intentions (*Lafferty & Goldsmith, 1999*).

Celebrities are people who enjoy public recognition by a large share of a certain group of people whereas attributes like attractiveness and their lifestyle are just examples and specific common

characteristics cannot be observed though it can be said that within a corresponding social group celebrities generally differ from the social norm and enjoy a high degree of public awareness (Schlecht, 2003). According to Business Standard, 2003 this is actual for classic forms of celebrities like actors (for example. Sharukh khan, Salman Khan, Amitabh Bachhan), models (Kangana Ranaut, John Abraham) Sports persons (for example. Sachin Tendulkar, M.S Dhoni) entertainers (Barkha Dutt, Shekhar Suman) and pop stars (Mika, Dailer Mehndi) but also for less obvious groups like businessmen (Dirubhai Ambani) or politicians (Laloo Prasad Yadav) Besides these there are fictional celebrities like Fido dido, Pillsbury doughboy, Gattu, Amul Girl. Celebrities appear in public in different ways and they appear in public when fulfilling their profession e.g. celebrities act as spokes people in advertising to promote products and product brand (Kambitsis et al, 2002).

In the present picture, it is vital to understand that whether there exist any significant cross cultural differences or similarities in perceptions of consumers across different countries along with consumers perception for celebrity endorsement. Furthermore, as celebrities symbolize the symbolic meanings and values that are closely attached to the culture in which they have attained their recognition (McCracken, 1989). Advertisers believe that messages delivered by famous personalities achieve a high scale of

interest and recall (Ohanian, 1991). It has also found that more than ten percent of television ads include celebrity endorsements, (Walker et al, 1992).

Celebrity can endorse any brand and product. But the challenge is to choose a right celebrity for an exact brand/product and also for a correct purpose. So, the multinational companies keep altering their advertisement strategies periodically. Due to vast competition in the market it is very hard to get market share for capturing the consumer's attention. Celebrity endorsement gives an extra benefit to the companies for holding attention of audience towards brand and the product (Mahira Rafique, 2012). McCracken (1989) also suggests that to make celebrity endorsement effectual a symbolic "match" should exist between the celebrity image and the brand image. Studies have proved that celebrities endorsing a company or a brand can significantly enhance consumers' awareness. In addition when a celebrity endorses a company it gives a message to the consumer that the company is having good reputation and a high-quality product/service.

#### Review of Literature

Twelve studies have been reviewed and formulated in tabular form which enumerates major objectives and findings.

S.No	Title	Author Name	Year	Conclusion
1	Effects of Expertise and Physical Attractiveness upon Opinion Agreement and Liking	Horai et al	1974	The endorser's perceived expertise has a positive impact on attitude change of the customer. Endorsers will be perceived as having the most expertise when they endorse products or services related to them.
2	Physical attractiveness of the celebrity endorser: A social adaptation perspective	Kahle L. R. & Homer P.	1985	The physical attractiveness of the endorser puts positive impact on the product, enhancing the product's image and resulting in positive attitude change.
3	Who Is the Celebrity Endorser? Cultural Foundations of the Endorsement Process	McCracken Grant	1989	Celebrities echo the symbolic meanings and values that are closely tied to the culture in which they have attained their eminence.
4	The Effects of Multiple Product Endorsements by Celebrities on Consumers' Attitudes and Intentions	Carolyn Trippet et al	1994	The impact of multiple product endorsements on consumers' perceptions of expertise and liking for the celebrity may be indirectly and unknowingly tied to the number of products endorsed by the celebrity via attributions of trust.

5	Perceptions of Advertising and Celebrity Endorsement in Malaysia	Md. Zabid & Abdul Rashid et al	2002	Concluded that Overall, the respondents agreed that advertising by celebrities influenced them in making decisions to purchase a product/brand.
6	Celebrity Entrepreneurship: The Effect of Negative Celebrity Information on the New Venture	Erik hunter & Davidson	2008	Negative information about the celebrity might leads to negative attitude towards the new venture and promotion, new ventures can potentially reduce damage to their brand by distancing themselves from the celebrity
7	Celebrity Endorsements in Advertisements and Consumer Perceptions: A Cross-Cultural Study	Somdutta Biswas et al	2009	The research demonstrated that there is a positive, although moderate, impact of celebrity endorsements on attention and exposure of consumers.
8	Customer Perception About Celebrity Endorsement in Television Advertising for Retail Brands	Varsha Jain et al	2009	Concluded in a study that customers prefer film actors as well as sportspersons for retail advertising.
9	Celebrity endorsement - Review of literature	N. Muthu Kumar	2011	The consumer has an overall positive attitude towards celebrity endorsement such endorsement were perceived to be attention gaining, likeable and impactful.
10	Effective advertising and its influence on consumer buying Behavior	Zain-UI-Abideen, & Salman Saleem	2011	Usually People buy only those brands with whom they emotionally attached. These attachments are created through advertisement as audio, video and text form, which appeals the potential buyer.
11	A study of effectiveness of multiple and single and single celebrity endorsement in Chennai perceptives, India	A. Pughazhendi et al	2012	The attitudes toward advertisements, attitude toward brand and purchase intentions are more positive for multiple celebrities ad which belong to low involvement category while for high involvement product category, attitude toward advertisements, attitude toward brand and purchase intention showed no significant difference for multiple and single celebrity advertisements.
12	Impact of Celebrity Advertisement on Customers' Brand Perception and Purchase Intention	Qurat-UI-Ain Zafar & Mahira Rafique	2012	Physical attractiveness, credibility and congruence of celebrity with reference to the endorsed advertisement have impact on the customer's perception about the advertised product.

## Research Methodology

### Objective of the study

1. To study the customer perception and attitude towards celebrity endorsement and factors that influence purchase behavior of customer.

### Sampling Design

These respondents were interviewed through a pretested, well structured questionnaire which was administered personally.

### Methods of Data Collection

The present study is mainly based on primary data collected from 100 students from Guru Nanak Dev University. The survey was conducted during the period of March 2015 to April 2015.

### Research Tools

Five point likert scale has been used for the said purpose ranging from strongly agree to strongly disagree. To find out the customer perception and attitude towards celebrity endorsement and factors that influence purchase behavior of customer, Factor Analysis used for analyzing correlations between variables factor analysis, which reduces their number into fewer factors which explains much original data more economically (Nargundkar, 2010).

### 3.5 Scope of the Study & Limitation

From the literature review, it can be summarized that not much work has been done on **celebrity endorsement in Amritsar, Punjab**. This study is a comprehensive because there not much work has been done on this topic in Punjab region. **More than ten percent of television advertising includes celebrity endorsements.**

### Limitations of the study

1. The biasness of the respondents may affect the result of the study so far as primary data is concerned. Because of the biases of the respondents the result of the study may not be the same for all the cities and at all places.
2. The survey has been conducted in Punjab region only. It may not reflect the public opinion at large.
3. The sample size has been small  $n = 100$  which may not reflect the broader picture.
4. Time and cost constraints.

### Analysis

Explanatory factor analysis is used to identify the underlying constructs and investigate relationships among the key survey interval-scaled questions regarding perception towards celebrity endorsement. To test the suitability of data, reliability test has been conducted and value of Cronbach's alpha comes out to be .725 which is significant. The following steps have been conducted to analyze the data. The correlation matrix is computed and examined. It discloses that there are enough correlations to go ahead with factor analysis.

Kaiser-Meyer-Olkin Measure of Sampling Adequacy is computed which is found to be .630. It is indicated that the sample is good enough for sampling.

The overall significance of correlation matrices is tested with Bartlett Test of Sphericity (approx chi square = 663.083 and significant at .000) provided as well as support for validity of the factor analysis of the data set.

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.630
Bartlett's Test of Sphericity	Approx. Chi-Square	663.083
	df	351
	<b>Sig.</b>	<b>.000</b>

Hence, all these three standards indicate that the data is suitable for factor analysis. Principal components analysis is employed for extracting factors.

**Rotation Method-** Orthogonal rotation with Varimax was applied. The latent root criterion is used for extraction of factors. As per it, only the factors having latent roots or Eigen values greater than one are considered significant. All the factors with latent roots less than one are considered

insignificant and disregarded.

There are only nine factors having Eigen values exceeding one in our study. The percentage of total variance is used as an index to determine how well the total factor solution accounts for what the variables represent together. The index for present solution equals 62.949 % of the total variation. It is pretty good figure and we lost only 37 % of the information content in our study.

Statement	Rotated Component Matrix									Communalities'
	1	2	3	4	5	6	7	8	9	
S-1	-.016	-.156	.304	.091	<b>.656</b>	.014	-.167	.285	-.009	.665
S-2	.210	.180	.343	<b>.503</b>	.000	.226	.140	.193	-.202	.596
S-3	.013	-.013	-.078	<b>.831</b>	.124	.117	-.003	.115	.001	.740
S-4	.081	-.138	-.117	.017	.019	<b>.750</b>	.097	.157	-.069	.641
S-5	.423	.211	.050	<b>.469</b>	-.200	-.402	-.141	-.173	-.043	.700
S-6	-.005	.043	.350	-.450	.246	-.107	<b>.521</b>	-.145	.068	.696
S-7	.385	.236	-.016	.181	-.027	<b>.572</b>	-.099	.065	.138	.598
S-8	<b>.627</b>	.186	-.202	.253	.135	-.003	.097	.221	.036	.611
S-9	<b>.684</b>	.191	-.049	-.098	.002	.336	-.077	.059	.099	.648
S-10	.303	<b>.369</b>	.289	.268	.026	.015	.138	.342	-.022	.521
S-11	.105	-.118	<b>.790</b>	.010	.094	.036	.122	-.182	.096	.717
S-12	.004	.055	.406	.104	.004	<b>.590</b>	-.037	-.058	.040	.533
S-13	<b>.629</b>	.026	.224	.073	-.021	.130	.035	.104	-.328	.588
S-14	-.093	.146	<b>.358</b>	.217	.128	-.103	-.613	.029	.132	.627
S-15	-.068	<b>.688</b>	-.062	.023	.215	.091	.044	.124	.023	.555
S-16	-.111	.416	<b>.648</b>	-.180	-.101	-.033	-.040	.062	.054	.658
S-17	.007	.095	.251	.166	-.090	.028	<b>.726</b>	.130	.082	.659
S-18	.192	<b>.732</b>	.128	.132	-.103	-.090	-.004	-.074	-.017	.632
S-19	.092	.027	-.112	.064	.064	.068	-.057	<b>.819</b>	-.028	.710
S-20	.195	.108	-.036	.109	-.180	.161	.140	<b>.508</b>	-.258	.465
S-21	<b>.486</b>	-.054	.219	-.023	-.126	-.269	.194	.241	.345	.591
S-22	.406	<b>.542</b>	.009	-.243	.011	.035	-.077	-.087	-.167	.561
S-23	-.031	.049	.083	.004	.038	.047	.030	-.153	<b>.854</b>	.768
S-24	.304	-.119	-.173	.071	<b>.649</b>	.195	-.234	-.115	.144	.690
S-25	-.124	.213	-.013	-.039	<b>.778</b>	-.085	.098	-.129	.002	.702
S-26	.318	<b>.539</b>	.050	.155	-.234	-.035	.089	.328	.148	.612
S-27	.067	-.099	.098	-.315	.110	.083	-.419	.057	<b>.443</b>	.517
Eigenvalues	4.181	2.392	2.177	1.781	1.597	1.402	1.277	1.124	1.064	
Cumulative Percentage Of Variance	15.485	24.345	32.409	39.004	44.920	50.113	54.844	59.008	62.949	

(Source IBM SPSS statistics 19 version)

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

Rotation converged in 12 iterations.

### Criteria for the Significance of Factor Loadings

A factor loading represents the correlation between an original variable and its factor. The criterion given by (Hair, 1995), where factor loading based on sample size is taken as

the basis for decision about significant factor loading, was adopted. For our sample 100 respondents, a factor loading of .3 and above has been considered significant. All the 9 factors have been given appropriate names on the basis of variables represented in each case.

<b>Representation of Factor Naming</b>			
<b>Factor Number</b>	<b>Name of Dimension (%)</b>	<b>Statement</b>	<b>Factor Loading</b>
Factor 1	<b>Attractiveness</b>	Highly attractive celebrities force me to buy the product which they advertise.	.684
		Attractive of Celebrity motivates me to purchase a product.	.629
		I am interested in those brands which are advertised by celebrities.	.627
		Pleasant celebrity endorser motivates me to purchase a product.	.486
Factor 2	<b>Trustworthiness</b>	Credibility of celebrity motivates me to purchase a product.	.732
		Trustworthiness of Celebrity motivates me to purchase a product.	.688
		When I am confused about product, I believe celebrity endorsement	.542
		I am willing to pay higher prices for products in which I see famous celebrities	.539
		I am willing to pay higher price for the product which is advertised by a celebrity.	.369
Factor 3	<b>Physical Appearance</b>	Beauty of celebrity motivates me to purchase a product.	.790
		Modern celebrity endorser motivates me to purchase a product.	.648
		Good-looking celebrity has great ability to promote the product.	.358
Factor 4	<b>Popularity</b>	Brands specifically advertised by celebrities are of good quality.	.831
		The price of product does not matter to me if my favorite celebrity endorses the product	.503
		Recognizable of celebrity endorser motivates me to purchase a product	.469
Factor 5	<b>Image/ Goodwill</b>	Social acceptance of the celebrity increases product value	.778
		Advertising through celebrities is the most effective medium of promotion.	.656
		Celebrity increases the awareness of the brand.	.649
Factor-6	<b>Reliability</b>	Reliable Celebrity portrays good image of the brand.	.750
		Woman celebrities are more attractive in advertisements	.590
		An advertisement by celebrity motivates me to buy a product.	.572
Factor-7	<b>Negative role of celebrity</b>	I do not buy the products which are promoted by film stars.	.726
		Advertisements by celebrities fail to present actual value of product.	.521
Factor-8	<b>Aspiration</b>	An advertisement by a celebrity increases my curiosity for the brand	.819
		Celebrity endorsements affect my selection of alternative brands.	.508
Factor-9	<b>Brand value</b>	I am not affected by the fact that who advertises the product.	.854
		Celebrity advertisement doesn't affect my purchase decision.	.443

## Discussion

The present paper makes an attempt to discuss the role of celebrity endorsement in the promotion of product/service. Celebrity endorsement has become very famous in present scenario. Study contains discussion on certain specific factors which are attractiveness 15.485 % the value of significance indicates that attractiveness of a celebrity endorsing a particular product/brand strongly influence a consumer's buying decision. Trustworthiness is 8.859 % Physical appearance 8.064 % does matter considerably as every consumer get positively influenced towards external presentation of any product/brand. Popularity 6.595 % factor is an equally important factor reflecting customer's buying actions as fame of a celebrity is certainly correlated with brand/product recognition. Image/goodwill 5.916 % of a celebrity endorsing a product appreciably relates to product's image as any celebrity having positive image in the society positively affects consumer's decision of buying the same product and vice versa. Reliability 5.192 % is generally measured as the most important dimension underlying brand/product credibility and trustworthiness of celebrity certainly brings retention of the product/brand. Negative role of celebrity 4.731 % factor indicates impact of mismatch between theme of a particular add and celebrity as wrong combination brings lower sales and decreased brand value. Aspiration 4.164 % factor reflects inspirational impact on consumer's buying behavior of those celebrities who have done remarkable and aspiring work for any section of the society. Brand value 3.941 % factor reflects products' falling under recognized and established brands does not get influenced by celebrity endorsement to a great extent. By considering the above mentioned factors the researcher tried to reflect an overall impact of celebrity endorsement on consumer buying behavior.

## Conclusion

The purpose of this research paper was to study customer perception towards celebrity endorsement and influence of celebrity endorsement on customer buying behavior. Nine factors emerged in the study were attractiveness, trustworthiness, physical appearance, popularity, image/goodwill, reliability, negative role of celebrity, aspiration, and brand. As such, Celebrity Endorsement has become a trend and perceived as a winning formula for product marketing and brand building. Organizations use this tool for grabbing the market or to expand their operation or promotion of their brand and product. In India, advertisers incur crores of rupees every year into celebrity advertising. The research results match with the findings of (Speck *et al*, 1988) found that expert celebrities produced higher recall of product information in comparison to non-expert and less popular celebrities, even though the difference was not statistically significant. Moreover, it has also been found

that celebrities' professional accomplishments and expertise may serve as a logical connection with the products and accordingly make the endorsement more believable to consumers (Till & Busler, 2000). The research results confirmed the dimension of celebrity endorsement. Findings shows that consumer buying behavior is positively affected by brand/ Product as compare to celebrity endorsement. Result shows that attractiveness of a celebrity endorsing a particular product/brand strongly influence a customer perception and impact of product and brand are more positive on the customer buying decision compare to celebrity endorsement. So celebrities' professional accomplishments and expertise may serve as a logical connection with the products, and consequently make the endorsement more believable to consumers.

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