



## Factors Influencing Consumer Choice of Celebrity Endorsements and their Consequent Effect on Purchase Decision

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**ABSTRACT:** This study offers and validates a comprehensive approach to explain the factors affecting consumers' choice of celebrity endorsement and their consequent effect on their purchase decision. For this purpose, a sample of 450 respondents belonging to State of Punjab was selected and non-probabilistic convenience sampling technique was used for data collection. Exploratory factor analysis and multiple regression statistical techniques were employed and it was concluded that prospects are highly instigated to acquire a product if celebrities endorse it. The main factors that escalate the image of a celebrity are their Attractiveness, Familiarity, Credibility and Reliability. It is a prerequisite for the companies to create a familiarity between the celebrity and the prospective consumers. Further, the congruency between brand image and the persona of the celebrity endorser is essential to make influential effect on consumers' purchase decision.

**Keywords:** Celebrity, Endorsement, Attractiveness, Credibility, Purchase Decision

### I. INTRODUCTION

Celebrity Endorsement, a meticulous strategy encompasses elevation of a product from such a manifesto, which leads consumers to associate themselves with brand attributes that are reflected from the projected celebrities' point of view. Celebrities enjoy appreciation and attention from the masses. There is a notion that celebrity endorsement gives a brand an advantage over its competitors and leads to the escalation of the company's image as well. Celebrity endorsements invite remarkable sales every year, and are widely preferred by marketers to promote their products.

Celebrities are experts in their respective domain and enjoy public recognition. A significant number of products of various companies are being endorsed by celebrities like- Bollywood stars, TV serial actors and cricketers. Nowadays, firms also spend significant amount of money in exhibiting their brands through celebrities who possess diverse qualities like allure, amiability, believability and credibility. Celebrities in Ads provide a number of benefits to marketers like enabling of brand recognition, brand loyalty, replacing the undesirable attitude towards a brand and repositioning an existing brand thus influencing the purchase decisions of consumers. However, the character of a celebrity has to be in congruence with the product positioning, target audience and the budget.

In the present scenario, marketers use appeals to inspire customers by showing celebrities with their products [1]. These appeals create a curiosity and a desire to possess a product. For creating this appeal, it

is necessary to attach renowned personalities with product offerings. The notion that a celebrity will be able to generate an appeal for the product might be erroneous. The usage of a celebrity does might not assure sales escalation, sometimes it might lead only to creation of a hysteria. Common people might be able to create more thrill than regular celebrities. This might lead to heavy expenditures. There lies a need to fathom what celebrity attributes can be used to capture the attention of the customers and build their expectation towards a company's offering. Here, the main purpose is to set up what is called "mind share" i.e. building a brand image among consumers [14].

#### A. Trend of Celebrity Endorsement in India

India is a nation where celebrities are religiously adored and worshipped. The inclination to use celebrities for endorsement dates back to more than 100 years with some suggestions of it being used in the 19th century. Although the portion of celebrity endorsements was barely 5-7 per cent, now, in current times of communication boom, the share of these endorsements has gone up to 65% in the Indian market [11]. Celebrity endorsement is a formulated marketing plan used for distinguishing a brand, positioning a brand in a cluttered market, repositioning a brand, generating an awareness of an existing or new product. Every celebrity epitomizes certain values like success, status, control and power.

The key lies in infusing these traits into the brand they endorse. Famous Indian celebrities like Amitabh Bachchan, Aamir Khan, Sachin Tendulkar and ShahRukh Khan have helped marketers in building brands and popularizing them. However, in many cases,

a feeble product or a flawed service does not succeed even if it is supported up by a celebrity name. Fiat's Palio and Maruti Suzuki's Versa could not outlast even when two of the utmost celebrities were associated with the brand.

#### *B. Celebrity Endorsements in the FMCG Sector*

Fast-Moving Consumer Goods (FMCGs) are universally known as consumer packaged goods. FMCG sector is the fourth most prevalent sector of our economy that accounts for over fifty percent sale of fast moving consumer goods like household and Personal Care items. By 2020, the revenue of this sector is expected to reach at US\$ 104 billion [13]. The personal care, household care, health care and the food and beverages are the prime categories of this sector.

## **II. REVIEW OF LITERATURE**

The main intention of this strategy is to portray an elevated brand image. To make these possible marketers need to attach renowned personalities with their products. These well-known personalities have a great effect on the consumer's buying intentions [1]. The gender and the bodily appeal of an advertisement model tends to have an influence on the people's assessments of the visual qualities of an advertisement and are therefore vital elements of the attention-getting value of an advertisement. This leads to the development of positive vibes towards the advertisement and eventually the product [2]. There is a general impression among the advertisers that the message endorsed by celebrities generates an advanced degree of attention in the minds of the consumers as compared to the message conveyed by non-celebrities. It was also opined that the credibility of celebrities also make an optimistic effect on message or brand recall by the consumers [3]. Celebrity endorsement is an imperative factor for capturing the initial attention of the customer and can be later used to create loyalty. The only pre-condition is a celebrity-brand match [4]. Celebrity, CEO, expert and typical consumer (four types of endorsers) and established that if a comparison is made to other endorser types, it could be concluded that the celebrity endorser scored predominantly well on dimensions such as dependability, credibility, persuasion and amiability [5]. Celebrity endorsement enriches brand awareness and recall. It was observed in the study that film stars, sports stars and models are amongst the few prominent people who are playing major role in creating an impact on the consumers [6]. There are five benefits of celebrity endorsement: the fascination of the source, the trustworthiness of the source, that similarity between source and brand, transfer of aesthetically established significances, and effect on the sales of the products they endorse [7]. Products that are linked with a person's physical appeal e.g. soap bars, face creams, washes, hair colors, oils, washes, body creams, lotions etc. are related to the physical attractiveness of celebrity [8]. It is observed that one of the foremost motives of endorsement by celebrity is to create brand image in the minds of the consumers by shifting the emblematic significance from the celebrity to advertised product. He was of the opinion that a celebrity endorsement

augments brand awareness and recall. The celebrity world has developed into an influential world all-encompassing cultural and social value of an individual as well as the society. Therefore, most of the consumer's care about celebrities and the lives they live [9]. The physical attractiveness of a celebrity augments appraisal of the products characteristics only if the features of the product correspond to the image of the celebrity [10]. Therefore, the satisfaction of a consumer depends upon his/her perceptions of the celebrities advertising the product [15]. Celebrity endorsements was barely 5-7 per cent, now, in current times of communication boom, the share of these endorsements has gone up to 65% in the Indian market [11]. Using an eminent celebrity as an endorser could help to recuperate the subject's assessment of the commercial. Thus, it is desirable for companies to contemplate using a renowned celebrity as brand endorser instead of using anonymous speaker. However, the advertising practitioner should also identify that the use of a famous personality, who can generate a preliminary attentiveness and thoughtfulness towards an advertisement, does not inevitably result in change in attitude of the consumers for the advertised product [12].

The foregoing review of literature exemplifies that marketers prefer to promote their products through celebrities to build an image of the brand by transferring the emblematic meaning from the celebrity to the advertised brand. Research is required to answer simple questions related to 'Which traits possessed by celebrities have the most significant effect on consumers?' 'How these traits need to be infused into the brands endorsed by celebrities?'

Hence, the objective of the study is to explore the different factors influencing consumer choice of celebrity endorsements and their consequent effect on their purchase decision.

## **III. RESEARCH METHODOLOGY**

The sample of the study was comprised 450 respondents belonging to three renowned cities of Punjab include Jalandhar, Ludhiana and Amritsar. Non-probabilistic convenience sampling technique was used for data collection and efforts were made to select respondents of various demographic profiles. A structured and non-disguised questionnaire was designed for the purpose of data collection and then pretested on sample of 75 respondents. Various statistical techniques like Exploratory Factor Analysis and Multiple Regression were used to analyze the data.

## **IV. RESULTS AND DISCUSSION**

### *A. Factors influencing attitude towards celebrity endorsement*

It has been attempted to explore the impact of celebrity endorsement on the consumers' purchase decision. Respondents were asked to rate a set of 26 statements on 5 point Likert scale (5 = "strongly agree" and 1 = "strongly disagree"). Exploratory factor analysis was employed on data collected from all respondents. The list of statement is given in table 1

**Table 1: List of Statement.**

Labels	Statements
S1	Highly attractive celebrities instigate me to buy the product, which they advertise.
S2	I am fascinated by brands that are advertised by celebrities.
S3	Pleasant celebrity endorser prompts me to purchase a product.
S4	Credibility of a celebrity affects me while making a purchase decision
S5	I will definitely purchase a product endorsed by a celebrity
S6	I am willing to pay higher prices for products, which are advertised by a celebrity.
S7	Beauty of a celebrity motivates me to purchase a product.
S8	I am more influenced by celebrities who are admired and modern
S9	Nice-looking celebrities have great ability to promote the product.
S10	Brands explicitly advertised by celebrities are of good quality.
S11	The price of product does not affect me if my favorite celebrity endorses the product.
S12	Recognizable of celebrity endorser motivates me to purchase a product.
S13	Reliable celebrity portrays good image of the brand.
S14	Woman celebrities are more attractive in advertisements.
S15	An advertisement by my admired celebrity motivates me to buy a product.
S16	I do not buy a product which is promoted by film stars.
S17	I will not buy a product endorsed by a celebrity but will recommend it to others.
S18	Social recognition of the celebrity increases product value.
S19	Advertising by celebrities is the most effective mode of promotion.
S20	Celebrity escalates awareness of the brand.
S21	An advertisement by celebrity increases my inquisitiveness for a brand.
S22	I will consider purchasing a product endorsed by a celebrity
S23	I am not affected by the fact that a well-known celebrity advertises a product.
S24	When I am confused about a product, I believe in celebrity endorsement.
S25	Celebrity endorsements affect my selection of alternative brand.
S26	Advertisements by a celebrity fail to reflect the actual value offered by a product.

Principle Component Analysis (one of the factor extraction methods) is applied to explore the underlying factors influencing the consumers' choice of celebrity endorsement. First to ensure the reliability of data, value of Cronbach's alpha was calculated i.e. 0.725, above the threshold limit of 0.7. Further, the following steps have been conducted to analyse the data. The value of Kaiser-Meyer-Olkin (KMO), the Measure of

Sampling Adequacy is 0.759 which indicates that the sample size is good enough to run factor analysis. Bartlett Test of Sphericity was employed to test the overall significance of correlation among the variables. The approx. chi square value is 663.083 with 351 degree of freedom and hence it is significant at 0.05 level of significance)

**Table 2.**

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.759
Bartlett's Test of Sphericity	Approx. Chi-Square	663.083
	Df	351
	Sig.	.000

**Rotation Method-** A Varimax rotation and the latent root criterion was used for extraction of factors. All the factors having Eigen values >1 are considered significant. And the other factors with Eigen values <1 are considered insignificant and then ignored. A factor loading represents the correlation coefficient of a variable with its factor (Hair et al., 1995). Naming of all the factors was based on nature of variables represented in each case

**Attractiveness.** Nine statements are loaded on this factor (Table 3). The respondents agree that attractiveness and persona of celebrities inspire them to buy a product. The concept of attractiveness does not include only physical appeal. Attractiveness of a celebrity depicts his/her social acceptability, rational skills, way of living, performance in respective fields and attainment of success. Consumers perceive celebrities as attractive because they represent great achievements. They act as a role model and people aspire in them. Celebrities possess a charisma that creates an aura, motivating people to become like them.

**Familiarity.** Four statements loaded on the factor 'Familiarity'. The respondents are of the view that when they are confused about a product they believe in a product that is backed by a celebrity. They agree that they are ready to spend more money for a product if, it is promoted by a celebrity. Familiarity is the supposed similarity that a celebrity endorser possesses amongst the masses through publicity. At whatever time companies select a celebrity, it is essential that a familiarity is created between the celebrity and the masses. The higher the level of familiarity that exists, the greater is the effect of the exposure.

**Table 3: Representation of factor naming.**

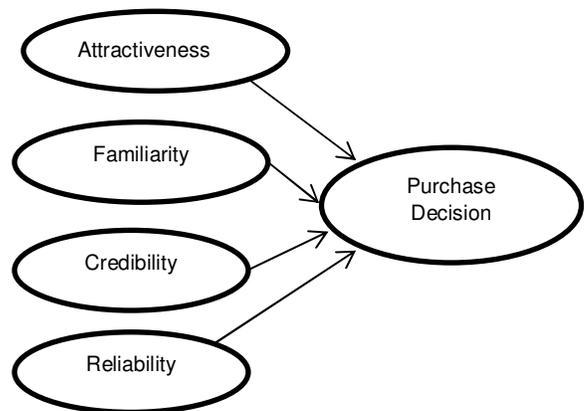
Factor number	Name of Dimensions	Statement	Factor loading
Factor 1	<b>Attractiveness</b>	Highly attractive celebrities instigate me to buy the product which they advertise.	.730
		Beauty of a celebrity motivates me to purchase a product.	.642
		Pleasant celebrity endorser prompts me to purchase a product.	.719
		Brands explicitly advertised by celebrities are of good quality.	.539
		Nice-looking celebrity has great ability to promote the product	.597
		Social recognition of the celebrity increases product value.	.607
		Advertising by celebrities is the most effective mode of promotion.	.743
		Celebrity escalates awareness of the brand.	.523
		An advertisement by celebrity increases my inquisitiveness for a brand.	.739
Factor 2	<b>Familiarity</b>	When I am confused about a product, I believe in celebrity endorsement.	.597
		I am ready to pay higher prices for products in which I see famous celebrities.	.608
		The price of product does not affect me if my favorite celebrity endorses the product.	.793
		I do not buy a product, which is promoted by film stars.	.667
Factor 3	<b>Credibility</b>	I am fascinated by brands that are advertised by celebrities	.518
		Credibility of a celebrity affects me while making a purchase decision	.642
		Celebrity endorsements affect my selection of alternative brand.	.807
		Advertisements by a celebrity fail to reflect the actual value offered by a product.	.777
Factor 4	<b>Reliability</b>	Recognizable of celebrity endorser motivates me to purchase a product.	.682
		Reliable celebrity portrays good image of the brand.	.625
		Woman celebrities are more attractive in advertisements.	.790
		I am more influenced by celebrities who are admired and modern	.654
		An advertisement by my admired celebrity motivates me to buy a product.	.734
Factor 5	<b>Purchase Behaviour</b>	I am not affected by the fact that a well-known celebrity advertises a product.	.795
		I will definitely purchase a product endorsed by a celebrity	.622
		I will not buy a product endorsed by a celebrity but will recommend it to others.	.701
		I will consider purchasing a product endorsed by a celebrity	.689

**Credibility.** Four statements loaded on the factor 'Credibility'. The respondents agree that Credibility of a celebrity stimulates them to purchase a product. Credibility can be explained as the degree to which the addressee perceives the source as having appropriate information, skills, or proficiency and has faith in the message source to provide impartial information. Celebrities are perceived as trustworthy sources of information and it is this credibility that escalates the probability of acceptance of a message. However, few respondents are also of the view that advertisements by celebrities fail to present the actual value of a product sometimes.

**Reliability.** Five statements loaded on this factor. The respondents agree that they are more influenced by celebrities whom they are able to recognize. It motivates them to purchase the product without putting much thought. Few people are of the opinion that they are more influenced by celebrities who are popular and celebrated and highlighted in current times. An advertisement by an admired celebrity is much appreciated as it escalates the image of the brand being endorsed.

**Purchase Decision.** Four statements loaded on this factor. Few Respondents are of the view that they are

not affected by the fact that a well-known celebrity advertises a product. However, some are of the view that they would not buy but still recommend the product to others. Others firmly believe in the aura and charms created by celebrities and make their purchase choices as per the thoughts expressed by their preferred celebrities.



**Fig. 1.** Proposed Model.

**Regression Analysis.** Based on the factors explored above, regression analysis was conducted to test that which factors of celebrity endorsement have more influence on purchase decision of the respondents. Hence to test the proposed model, following hypotheses were framed:

H0<sub>1</sub>: Celebrity's Attractiveness has no effect on respondents' purchase decision.

H0<sub>2</sub>: Celebrity's Familiarity has no effect on respondents' purchase decision

H0<sub>3</sub>:Celebrity's Credibility has no effect on respondents' purchase decision

H0<sub>4</sub>: Celebrity's Reliability has no effect on respondents' purchase decision

**Model Summary.** Model summary of impact of celebrity endorsement factors on buying behaviour is depicted in Table 4. The value of R squared (0.481) indicates the proportion of variance in the dependent variable (purchase behaviour) which is explained by the independent variables named attractiveness, familiarity, credibility and reliability. It indicates overall measure of the strength of association

**Table 4: Model Summary.**

Model	R	R Square	Adjusted R Square	Std. Error of Estimate
1	0.694 <sup>a</sup>	0.481	0.471	6.15817

Predictors: (Constant). Attractiveness, Familiarity, Credibility, Reliability.

**Coefficients Analysis.** The result of coefficient in this model shows that Beta value of factor "Attractiveness" is .429 and *t* value is 11.295 and *p*<0.05, which propose that appeal has a significant effect on purchase behavior. "Familiarity" has beta value of .405 and *t*=10.650 & *p*<0.05. Moreover, Beta value of "credibility" is .296 and *t* value is 7.756 and *p*<0.05 whereas "reliability has beta value of .415 and *t*=9.762 & *p*<0.05. Therefore, it is further concluded that these factors have significant positive influence on respondents' purchase decision.

**Table 5: Coefficients Analysis.**

Coefficients						
Model		Unstandardized coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	Constant	23.312	0.130		179.204	.000
	Attractiveness	1.626	0.143	.429	11.295	.000
	Familiarity	1.437	0.135	.405	10.650	.000
	Credibility	1.054	0.136	.296	7.756	.000
	Reliability	1.535	0.157	.415	9.762	.000

a. Dependent Variable: Purchase behavior

It can be observed all factors like attractiveness; familiarity and reliability of celebrities have significant impact on buying decisions of the respondents. However, "Attractiveness of celebrities" has the most resilient effect and "Credibility" the slightest effect in shaping consumer-buying preferences. Therefore, null hypotheses H1, H2, H3 and H4 are rejected and it is proved that the celebrity endorsement play significant role in influencing the buying decisions of the consumers

#### IV. CONCLUSION AND FUTURE SCOPE

The study concluded that prospects are highly instigated to acquire a product if, it is endorsed by celebrities. Celebrities poise as opinion leaders and have a striking effect on the purchase behavior of their followers. The main factors that escalate the image of a celebrity are their Attractiveness, Familiarity, Credibility and Reliability. Attractiveness comprises of not only the physical looks but also the extent to which the celebrity is adored among the masses, is successful in his professional endeavors and maintains a profligate standard of living. A celebrity reflects an image, which the followers feel worth observing and incorporating in their lifestyles by using the endorsed product. Prospects also seek familiarity with a celebrity. So, it is a prerequisite for the companies, that when they select a celebrity, it is fundamental that a familiarity needs to be created between the celebrity and the prospects, to escalate the impact of exposure. A congruency between brand image and the persona of the celebrity endorser is required. The endorser must be perceived as a credible source having apt knowledge about the image, position, attributes and functionality of the product. There is no qualm about the fact that there is a superlative effect of the charisma of celebrities on the purchase preferences of prospects. This prodigious strategy embodies advancement of a product image and leads consumers to relate themselves with brand traits that are echoed from their favoured celebrities view.

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