

An Analysis of Celebrity Endorsement and Car Preferences in Pune Region

¹Mr.SantoshJadhav, ²Prof. Dr.ShubhangiWalvekar

¹Tata Motors ,Pune, Maharashtra, India

²Head (MBA) –Modern College of Engineering, Pune, Maharashtra, India

Abstract

Celebrity endorsement is not new, in fact it has been in our life since longer years. We follow the successful persons, their gestures and lifestyle. This has become a common way for a promoter to promote the products with the help of successful persons. There are various parameters in which promotions through celebrities are carried out. However there are some parameters which were still not analysed in any of the studies, which was revealed in this research. This study was carried out to understand the effect of celebrity in recalling the brand endorsed by them, secondly, to evaluate whether the profession of celebrity makes any difference to customer's product preferences. Moreover, the study also focuses to find out age group that was more influenced by the celebrity endorsements. For this study primary data was collected using questionnaire tool. These data of 50 respondents was treated with Chi-Square method to prove the hypothesis. Additionally, graphical method over cross tabulation is used to analyse the influenced age group. Finally it was concluded that, celebrity endorsement has greater impact on the brand awareness, secondly, there are no rules for any celebrity profession endorsing any type of car, different profession endorsing different car are equally acceptable to the respondents. On the last conclusion younger generation of age group 18-30yrs has a greater impact of the celebrity endorsement.

Keywords- Awareness, Buyer Preferences, Celebrity Endorsement, Promotions, Professions.

I. INTRODUCTION

A well known person is always in demand, celebrities are among this. Corporate uses their social status and their fame to promote the company's products hoping their positive images will be carried to the brand. As celebrities can reach to greater audience through their mass communication skills. However the choice of celebrity depends on the products objectives, as different celebrities will accomplish different things for a brand. Celebrity and brands work together in synergy to create greater impact on the fans.

Apart from film actors, internationally since 1930 corporate use athletes to promote their brands, when baseball legend Babe Ruth endorsed a soft drink brand called Red Rock Cola. Moreover, India cricket

stars like Sachin Tendulkar and Virat Kohli are also seen endorsing BMW and Audi. Infact this creates impact on the customers.

II. REVIEW OF LITERATURE

Dix, Phau, & Pougnet, Sonia (2010) investigated how sports celebrities can be perceived as role models and influence young adult consumers' purchase and behavioural intentions. Further, it also seeks to examine whether this influence differs between males and females. A self-administered questionnaire was designed using established scales. A convenience sample was drawn from students in a large university in Western Australia. Athlete role model endorsers have a positive influence on young adults' product switching behaviour, complaint behaviour, positive word of mouth behaviour and brand loyalty. This confirms the assumption that sports celebrities were important socialisation agents and can have significant impact on purchase intentions and behaviours.

Sport celebrities often endorse their team, their sport, and non-sports related products. Increased idolizing of sport celebrities by adolescents is one artefact of this promotional practice. Although seemingly innocuous, adolescents who idolize sport celebrities may, as adults, come to worship such celebrities; this unhealthy obsession may afflict 10 percent or more of adults. If adolescent hero worship of sport celebrities is a gateway to this adult psychopathology, then alerting parents, as well as encouraging social responsibility among advertisers and sport teams/leagues, is critical. Hyman & Sierra (2010) aims to address the issues. After a brief review of the literature on adolescent hero worship, the literature on the determinants and effects of celebrity worship are explored. Once parents, advertisers, sport team/leagues are sensitized to the problem, adolescent hero worship of sport celebrities can be mitigated as a likely gateway to many adults' unhealthy obsession with celebrities.

Suki (2014) aims to distinguish between Muslim and non-Muslim consumers regarding celebrity influence on brands and purchase intention, and assess the relative importance of celebrity credibility, in terms of physical attractiveness, trustworthiness, expertise and product-brand congruency. The study also researches attitudes

towards brands, and purchase intention and their ability to predict consumers' religion. The research aim was achieved through an empirical study involving a self-administered questionnaire distributed to members of the public recruited from the Federal Territory of Labuan, Malaysia. Data were collected from 250 Muslim and non-Muslim consumers using a convenience sampling method. Their participation was purely voluntary. Multiple discriminate analyses via Statistical Package for Social Sciences (SPSS) computer program version 20 was used to answer the research questions. Empirical results of the multiple discriminant analysis indicated that celebrity expertise and attitudes towards brands strongly predict allocation to Muslim consumers rather than non-Muslim consumers. The relative importance of the celebrity credibility aspects from Muslim consumers' perspectives was: celebrity expertise, celebrity attitudes towards brands, purchase intention, product-brand congruency and physical attractiveness. Muslim consumers are found to choose expertise but not trustworthiness. Muslim consumers' faith or trust may be linked to the perception that products and services endorsed by the celebrities are in line with Shariah principles which are consistent with Islamic principles.

Kasana, Jyoti, & Chaudhary (2014) examined the perception of Indian consumers about celebrity endorsements, examining the celebrity attributes likely to influence consumer purchase intentions and finally the impact of celebrity endorsements on their purchase intention. This project begins with the review of existing literature available on celebrity endorsements, which provides an insight into the research topic and clarifies many important aspects related to the subject. A quantitative method was used for this research project to investigate the perceptions of the consumer, attributes and its subsequent impact on purchase intention. The data was collected through a questionnaire and later analysed using the data analysis software program SPSS. It was proven in this research that consumers find celebrity endorsements more attractive and influential as compared to non-celebrity endorsements. Moreover, the tested attributes show positive relationship with purchase intention. In other terms, celebrity attributes do impact the purchase intention of consumers. Finally, the results of the study prove that celebrity endorsements positively impact the purchase intention of the consumers.

Lane, Samantha, & Fisher, Stephanie (2015) investigated the exposure of a student population to celebrity chef television programmes, to assess the influence these figures have, and how they are perceived. Online questionnaire survey was distributed at Bath Spa University. The approach included asking respondents why they watched

programmes featuring celebrity chefs; to select a named celebrity chef whom they thought had most influenced their food habits, and to name particular chefs relating to campaign descriptions. A significant proportion of the study group watched television programmes fronted by celebrity chefs (84 per cent); the main reason for watching was for entertainment. Overall, reported influence was insignificant, though Jamie Oliver was selected as the chef with most influence on the respondent's food habits. Jamie Oliver's campaign to improve school dinners was also the most recognised, and celebrity chefs were generally viewed positively. The study population was quite specific in its gender, age and ethnicity, and therefore might not be representative of wider society. Further work could consider gender differences in chef influence, as well as different forms of exposure. Despite their ubiquity, academic research into the role of the celebrity chef in modern society was limited, where very few studies have assessed the influence of named chefs or the public perception of these figures.

Nazir (2015) explored and understand the impact celebrity endorsement as a marketing tool has on a firm's brand image and sales. In order to accomplish and get up to date results, Volvo Cars Sweden and their recent marketing activities will be studied and evaluated. In order to carry out the intended purpose of this thesis, an additive study with qualitative data has been used. Interviews were conducted with Volvo Cars Sweden and two large Volvo retailers. The author had identified several important factors in order to increase a firm's brand image and sales. These include likeability and having a congruent image between the brand and the celebrity. By following these and successfully achieving their performance indicators, Volvo had managed to significantly increase both brand image and sales, indicating the impact this marketing strategy might generate.

Mansour, & Diab (2016) carried out twofold study, first, the study aimed at investigating the impact of celebrities' credibility on advertising effectiveness by examining the celebrity attributes that are likely to influence consumer attitude towards celebrity-endorsed TV advertising and their purchase behaviour. Second, the study seeks to identify the mediating role of religiosity on consumers' attitudes towards celebrity-endorsed television advertising and buying behaviour. The study was based on a survey questionnaire in a sample of 370 Sudanese customers on their attitude towards the celebrity endorsement of television advertising. The study found that celebrities' likeability and their attractiveness had the greatest impact on both consumers' Attitude and their purchase behaviour. The study also confirms that religiosity partially mediate both the relationships between celebrities' credibility and the attitude

towards the advertisement and purchase behaviour and revealed that religiosity correlates negatively with celebrities’ credibility and attitude towards advertisement.

Priyankara, et al. (2017) explores the celebrities appearing on television advertisements. The purpose was to identify the influence of celebrity endorsement on consumer buying intention in Sri Lanka. Television Advertising was one of the marketing communication tools used to receive the attention of the customer and build their loyalty to perfume brands. Celebrity advertisement was an important and frequently used marketing tool to directly influence the consumers’ purchase intentions. The authors aim was to determine the effect of celebrity endorsement on customer purchasing intention for perfume brands. Cluster Sampling of 100 respondents was acquired through questionnaire method from Colombo and Gampaha in Sri Lanka. Correlation analysis was conducted to establish the nature of the relationship between the celebrity endorsers and consumer purchasing intention. Results showed significant relationship between the celebrity endorsement (likability, credibility, personality, attractiveness, and expertise) and consumer purchasing intention, so that all five hypotheses were accepted by this exploration.

III. OBJECTIVE

1. All paragraphs must be indented. All paragraphs to analyse the effect of celebrity endorsement to recall brand.
2. To evaluate the profession (sports/actor) of celebrity and their impact on car customer.
3. To know the demographic (age) group that gets affected by celebrity endorsement.

IV. METHODOLOGY

The data was collected with Primary and Secondary data collection methods. Primary data was collected from random sampling method on 50 respondents. Questionnaire tool was used to collect the data. Closed ended questions were framed to generate information on celebrity and brand recall, profession and it impact, and age group that gets more influenced by celebrity. Secondary data was collected through exhaustive study of different research websites, journals and research papers; nationally and internationally. The data was treated with Chi-Square method to prove the association of variables and in testing up of hypothesis. Additionally, cross tabulation and graphical method was used to reveal the age group that was more influenced by celebrities.

V. HYPOTHESIS TO BE TESTED

1. Celebrity endorsement has a great impact on brand awareness.
2. Celebrity profession thus play an important role in selection type of car.

3. Younger generation (18-30) has greater impact of celebrity endorsement.

VI. FINDINGS OF THE STUDY

A. Celebrity endorsement has a great impact on brand awareness.

H₀ = Celebrity endorsement has no impact on brand awareness.

H₁ = Celebrity endorsement has significant impact in creating the brand awareness.

Figure 1 : Celebrity Endorsement & Brand Recall

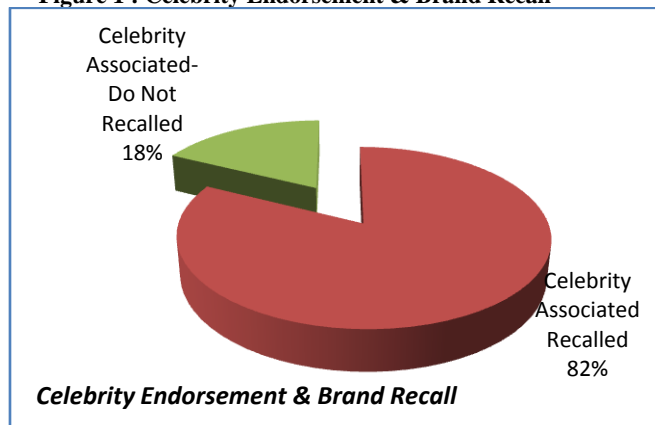


Table No. 1 : Observed Value

Type of Promotion Tools	Yes	No	Total
Brand Recall of Different Car Manufacturer	7	13	20
Brand Recall due to Celebrity Endorsement	20	10	30
Total	27	23	50

Table No. 2 : Chi-Square Calculation

Sr. No.	O	E	O-E	(O-E) ² /E
1	7	10.80	-3.8	1.34
2	13	9.20	3.8	1.57
3	20	16.20	3.8	0.89
4	10	13.80	-3.80	1.05
Total				4.84

The calculated value of X² (4.84) is more than critical value (3.841 for 1DF @5% level), accordingly there is enough evidence of rejecting null hypothesis, and accepting the alternate hypothesis i.e. H₁ is accepted. This proves that there is some association between celebrity endorsement and brand recall. Moreover the type of association can be proved with the help of cross tabulation-observation data. As per the cross tabulation highest number of respondents’ i.e. 20, has recalled the brand due to celebrity associate with the

brand, which clearly indicates that celebrity endorsement help the respondent to recall the brand associated with it. Hence our hypothesis, Celebrity endorsement has a great impact on brand awareness, is accepted and proved.

B. Celebrity profession (Sport/Actor) thus play an important role in selection type of car.

H₀ = Celebrity profession do not have any impact on selection of family/sport car.

H₁ = Celebrity profession does has an impact on selection of family/sport car.

Figure 2: Celebrity Profession and Car Preference

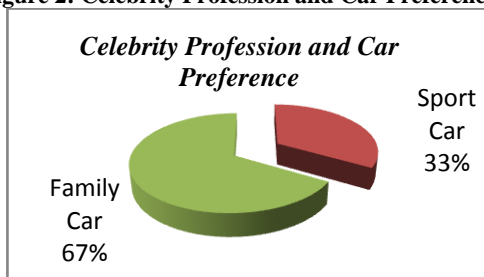


Table No. 3 : Celebrity Profession and Car Preference.

Advertisement Acceptance	Sport Celebrity	Actor Celebrity	Total
Sport Car	11	13	24
Family Car	14	12	26
<i>Total</i>	25	25	50

Table No. 4 : Chi-Square Calculation.

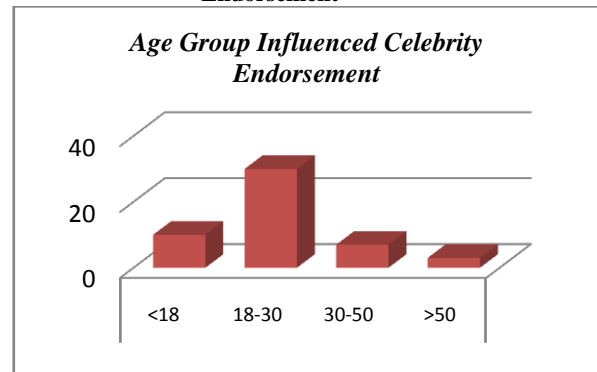
Sr. No.	O	E	O-E	(O-E) ² /E
1	11	12.00	-1	0.08
2	13	12.00	1	0.08
3	14	13.00	1	0.08
4	12	13.00	-1.00	0.08
Total				0.32

The calculated value of X² (0.32) is less than critical value (3.841 for 1DF @5% level), accordingly there is no evidence of rejecting null hypothesis, therefore the hypothesis H₀ is accepted, which proves that Celebrity profession do not have any impact on selection of family/sport car.

C. Younger generation (18-30) has greater impact of celebrity endorsement

The population of younger generation is greater in India. This generation are technology savvy generation and get influenced with the life style and high standard of living, and so get influenced by the celebrities.

Figure No. 3 : Age Group Affected by Celebrity Endorsement



From above graph shows different age group which gets affected by celebrity endorsement. The highest bar that has a greater impact of celebrities is from age group 18-30 years, which is followed by less than 18 years of age. And in last two categories is covered by 30-50 years, and, greater than 50 years of age. More details of the chart can be seen on the below given data sheet.

Table No. 5 : Age Group influence by Celebrity Endorsement

	Age				Total
	<18	18-30	30-50	>50	
Respondents	10	30	7	3	50
Percentage	20	60	14	6	100

From the above data sheet maximum respondents that get affected by celebrity endorsement are from age group 18-30 years, this covered nearly 60 per cent of the respondents, which is followed by less than 18 years of age, occupying nearly 20 per cent of the respondents and 30-50 Age group covering 14 per cent of age group. Overall the age group of 18-30 years are the highest number of respondents who have a greater impact of celebrity endorsement. This generation are from technological advanced environment and are attracted to the high class standard of living and lifestyle, which are influenced by celebrities.

VII.LIMITATION

1. The Study is restricted to Pune City.
2. The time period of the study is limited to 15 days in the month of April 2017.

VIII. CONCLUSIONS

Present marketers use celebrity's name and fame to endorse their product. Celebrities are selected based on the personality and the type of product that are being attached. Now-a-days brand ambassadors are banded by a contract and restrict the celebrity to a particular brand. This helps the customer to recall the product associated with the brand. Our study also revealed that celebrity endorsement has greater impact to recall the brand. Customer thus recollects the brand associate with the celebrity.

Secondly on our assumption that sport celebrity was linked to effect sports car, and film actor endorsing family car, would have been greater impact. However the study analysed that there are no such rules for any celebrity profession endorsing any particular type of car, in appendix we can see that different profession endorsing different car are equally acceptable to the respondents.

Lastly it was also analysed that younger generation gets attracted towards the celebrities and imitates their style. This generation has a greater impact of the celebrity endorsement. Overall it can be concluded that celebrities do play an important role in not only creating a brand but also in stabilising the brand. Further study can be carried out to know whether sentiments carried by the celebrities could be used to attach brands with sentiments.

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ANNEXURE

