CELEBRITY ENDORSEMENT AND ITS IMPACT ON BUYING BEHAVIOUR OF COLLEGE STUDENTS: A STUDY IN SHIVAMOGGA CITY

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Abstract

The presence of celebrity in an advertisement is likely to influence the buying decision for a product and such advertisement create awareness about the product which can increase the purchase intention and consequently increases the sales. For the study researcher has considered only three important attributes, the first one is celebrity expertise which refers to the depth of knowledge the celebrity has perceived to have regarding the subject on which celebrity is communicating, the second attribute which researcher has considered is celebrity popularity which refers to name and fame of the celebrity as an endorser and the third one is celebrity image which refers to impression obtained by a celebrity in the eyes of society as an endorser. 250 student respondents are the sample size for this study to examine the impact of celebrity endorsement on students buying behaviour. The data of 250 respondents is collected through questionnaire and results were behaviour through the SPSS. Moreover, the tested attributes of celebrity show positive relationship with the buying behaviour and brand perception as well. It also proved that there is a significant impact of celebrity endorsement on the buying behaviour. Finally, the results of the study further proved that there is a significant impact of celebrity endorsement on the buying behaviour of customers.

Keywords: Celebrity endorsement, Celebrity attractiveness, Celebrity credibility, Celebrity meaning transfer, Brand image, Buying behaviour

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1. Introduction

Celebrity endorsement has become a common practice in order to differentiate the product from other competing brands in a highly competitive environment (Erdogan 1999). The final aim of every advertising strategy is to instigate the actual behaviour of the targeted audience, whether purchase intention or actual consumption (Sharma et al. 2008). If an advertising strategy fails to achieve the same, the million dollars spent are not worth it. Young Indian consumer market is booming at a great pace. According to a report by McKinsey Global Institute (MGI), India's consumer market will be the fifth largest (from twelfth) in the world by 2025 which is currently valued at US$ 511 billion. Additionally, young consumers in India are exposed to several new products every other day followed by marketers' differentiation, positioning techniques. Therefore it will be interesting to investigate the impact of celebrity endorsements on consumers buying behaviour in India. From a business perspective this research project would be useful in understanding the attitude and perceptions of Gujarat students towards celebrity endorsements.

2. Background for the research

The presence of celebrity in an advertisement is likely to influence the buying decision for a product and such advertisement create awareness about the product which can increase the purchase intention and consequently increases the sales. Apart from this celebrity endorsed advertisement create an impact on consumer minds considering such endorsement as a testimonial for the product, re-enforcing the product credibility and leading to better recall at the point of purchase. (LalithaBalakrishnan and C. Shalini Kumar - 2011)

2.1   Celebrity: A celebrity generally differs from the social norm and enjoys a high degree of public awareness. Celebrity means "a famous person". A person who is excelled in his/her field of action or activity. Celebrities are people who enjoy public recognition by a large share of a certain group of people- actor, sports figure, entertainer etc.

2.2   Celebrity Endorsement: The term celebrity endorsement can be understood clearly by the following statement: 'any individual who enjoys public recognition and who uses this recognition on behalf of consumer goods by appearing with it in an advertisement and they bring their own culturally related meanings, thereto, irrespective of the required promotional role.'

2.3   Advertisement: Today almost every company from different industries uses advertisement as their basic tool to advertise their goods and services, because it's the best way to communicate information to the mass in an effective and efficient manner.

2.4   Buying Behaviour: Buying behaviour is a process by which a people search for the product/service they need or want, make decision to buy the required and most suitable one from different alternatives, use and dispose it.

3.Research Objectives

- To examine the impact of celebrity endorsement on students buying behaviour.

- To study the perception of students about the celebrity endorsement.

- To examine the relationship between celebrity characteristic and buying behavior.

- To find out which attribute of celebrity attracts more for students.

4.Research Hypothesis

H_0: There is an impact of celebrity endorsement on students buying behavior.

H_0: There is a relationship between celebrity characteristic and buying behavior.

5. Conceptual Framework

Theoretical framework shows that there are several attributes of celebrity, but for this study researcher has considered only three important attributes, the first one is celebrity expertise which refers to the depth of knowledge the celebrity has perceived to have regarding the subject on which celebrity is communicating, the second attribute which researcher hasconsidered is celebrity popularity which refers to name and fame of the celebrity as an endorser and the third one is celebrity image which refers to impression obtained by a celebrity in the eyes of society as an endorser. So when the image of the endorsed brand is improved in the eyes of consumer that he or she wants to purchase,means that there is a relationship amongst three attributes of celebrity, and these have the direct relationship and impact on overall buying behaviour.

6.Research Model

Based upon the theoretical frame work, the research model is developed for the study and is shown in the diagram below. The study tries to investigate the impact of celebrity endorsement on youngster buying behaviour. To investigate the impact three important celebrity

characteristics consisting celebrity expertise, celebrity popularity and celebrity image are treated as independent variable and on the other hand buying behaviour is treated as dependent variable. And mediating factor consumer attitude (youngsters buying intention)is considered in the study.
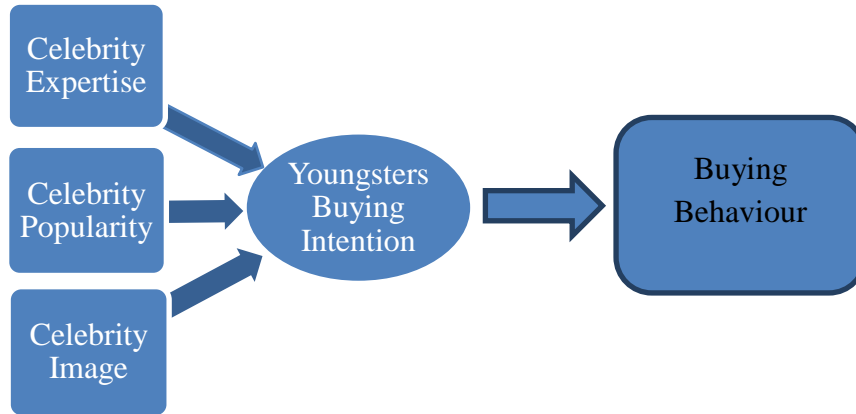
6.1 Research Design

The research isquantitative and descriptive in nature. Both primary and secondary data sources have been collected.Research Design The research isquantitative and descriptive in nature. Both primary and secondary data sources have been collected.

6.1.1   Research Design: The research is both quantitative and descriptive in nature. Both primary and secondary data sources have been collected for the study.

6.1.2   Sample Size: 250 student respondents are the sample size for this study to examine the impact of celebrity endorsement on students buying behaviour. Random sampling technique is used for the study. 100 students are taken from Sahyadri arts and commerce college, 50 students are taken from ATNCC Campus, 50 students are taken from PES Campus and remaining 50 are taken from JNNCE Campus of shimoga city.

6.1.3   Plan of Analysis: The result of the study will be analysed through quantitative, regression correlation and frequency analysis. The data is processed through SPSS 9 to get the result.

7. Data Analysis and Interpretation of Results

The data analysis and interpretation has been discussed in the following tables and paragraphs as under.

a.   Demographical Analysis:

Table No. – 1: Distribution of respondents based on Demographical factors					
Valid		Frequency	Percent	Valid Percent	Cumulative Percent
Age	18-25 Years	180	72	72	72
	25-30 Years	70	28	28	100
	Total	250	100	100	
Gender	Male	148	59.2	59.2	59.2
	Female	102	40.8	40.8	100
	Total	250	100	100	
Sample area	SACC Campus	100	40	40	40
	ATNCC Campus	50	20	20	60
	PES Campus	50	20	20	80
	JNNCE Campus	50	20	20	100
	Total	250	100	100	

Source: Field Survey

From the above table, it can be depicted that the distribution of respondents based on Age wise. Out of 250 respondents, maximum respondents (180) fall between the age 18 to 25 years and the remaining respondents (70) fall between 25 to 30 years. As we have focused only the students in this research all the respondents fall between only two slabs. The distribution of respondents based on Gender wise, 148 respondents are Males. The distribution of respondents based on College wise, for this research we have taken 100 respondents from SACC, 50 respondents from ATNCC, 50 respondents from PES and remaining 50 respondents from JNNCE Campus.

b.   Medium for advertisement Analysis

Table No. –2: Distribution of respondents based on the frequency of watching celebrity endorsed advertisements					
How frequently do you come across celebrity endorsed ads?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Repeatedly	240	96	96	96
	Rarely	10	4	4	100
	Total	250	100	100	

Source: Field Survey

The above table gives a clear picture of respondents' frequency of coming across the celebrity endorsed advertisements. It expresses that, 96% (240) of surveyed population repeatedly watch and remaining 4% (10) of them rarely watch the advertisements endorsed by celebrity.It is very clear from the above table that, why the products endorsed by celebrity are gaining more importance in the in the eyes of young generation.

Table No. – 3: Distribution of respondents based on effective media for celebrity endorsed advertisements					
Effective Media for Celebrity Endorsed Ads					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	TV Ads	145	58	58	58
	Magazines & News Paper	25	10	10	68
	Social Media	65	26	26	94
	Hoardings	15	6	6	100
	Total	250	100	100	

Source: Field Survey

The above table represents the responses of respondents as which are the effective media for celebrity endorsed advertisements. From the above table it can be understood that maximum of the respondents expresses i.e. 58% (145) respondents felt that Television advertisement is an effective media for celebrity endorsed advertisements and their other medias which are less effective in nature.

Table No. –4: Distribution of respondents based on Celebrity endorsed ads and Non-Celebrity endorsed ads					
Opinion on Endorsement: Celebrity endorsed or Non-Celebrity endorsed					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Celebrity Endorsed	235	94	94	94
	Non-Celebrity Endorsed	15	6	6	100
	Total	250	100	100	

Source: Field Survey

The above table presents the responses of respondents for which advertisement do they like most, Celebrity endorsed or non – celebrity endorsed advertisements? From the above table it is very clear that maximum number of the respondents expresses i.e. 94% (235) respondents felt that celebrity endorsed they like most and remaining only 6%(15) of the respondents are the opinion that they like non-celebrity endorsed advertisements.

c.   Correlation and Co-efficientAnalysis

H_0: There is an impact of celebrity endorsement on students buying behavior.

Table No. –5: Correlation Analysis

Correlation		Celebrity Expertise	Celebrity Popularity	Celebrity Image	Buying Behaviour
Celebrity Expertise	Pearson Correlation	1	.689**	.468**	.922**
	Sig. (2 tailed)		.000	.000	.000
	N	250	250	250	247
Celebrity Popularity	Pearson Correlation	.669**	1	.657**	.734**
	Sig. (2 tailed)	.000		.000	.000
	N	250	250	250	247
Celebrity Image	Pearson Correlation	.469**	.666**	1	.508**
	Sig. (2 tailed)	.000	.000		.000
	N	250	250	250	247
Buying Behaviour	Pearson Correlation	.922**	.734**	.508**	1
	Sig. (2 tailed)	.000	.000	.000	
	N	247	247	247	247
** Correlation is significant at the 0.01 level (2 -tailed)					

Source: Field Survey

The above table represents the Pearson Correlation between celebrity expertise, celebrity popularity, celebrity image and buying behaviour. Hence, it can be understood that the first highest relationship is with celebrity expertise and buying behaviour which is .922**, it states that there is a higher degree of positive correlation between celebrity expertise and buying behaviour,the second highest relationship of celebrity expertise is with celebrity popularity that is .689** followed by celebrity image that is .468**. Since, the calculated value is positive and lies

between 0 to +1, hence, Null Hypothesis is accepted. This indicates that celebrity characteristic like expertise, popularity and image of the endorser has a positive influence on student's attitude towards celebrity endorsement and resulting in buying behaviour.

H_0: There is an impact of celebrity endorsement on students buying behaviour.

Co-efficient[a]						
		Unstandardized coefficients		Unstandardized coefficients		
Model		B	Std. Error	Beta	T	Sig.
1	(Constant)	.664	.411		1.613	.109
	Celebrity Expertise	1.217	.065	.695	18.782	.000
	Celebrity Popularity	.528	.114	.181	4.639	.000
	Celebrity Image	-.082	.095	-.029	-.863	.390
a. Dependent Variable: Buying Behaviour						

The above table representsthe result of coefficient of this research model. From the above table we can clearly make out Beta is .695 for celebrity expertise and T value is 18.782 and p<0.05 which shows that celebrity expertise has a significant impact on buying behaviour, similarly celebrity popularity T value is 4.639 and p<0.05. From this it can be concluded that celebrity expertise and celebrity popularity has a significant impact on buying behaviour as well.Further it can be observed that celebrity image has the negative result (B), this shows that increase in celebrity image will decreases the impact on buying behaviour. Hence it can be concluded that celebrity endorsement has a maximum impact on buying behaviour. Hence, Null Hypothesis is accepted and it can be concluded that there is significant impact of celebrity endorsement on buying behaviour.

8. Major Finding

The following are the major findings of the study which are discussed as below:

- Majority of the respondents fall between the age 18 to 25 years.
- Majority of the respondents are males.
- Majority of respondents are from SACC campus.

- Majority of the respondents watch celebrity endorsed ads more repeatedly.

- Celebrity endorsed advertisements are more popular among ads

- There is significant impact of celebrity endorsement on buying behaviour.

- Popularity and image of the endorser has a positive influence on student's attitude towards celebrity endorsement and resulting in buying behaviour.

9. Conclusion:

This research has established the fact that the celebrity endorsed advertisements are more influential than the non-celebrity endorsed advertisements, similarly celebrity endorsed advertisements are more effective in TV when compared to any other medium. By the analysis of respondents'opinion, it can be concluded that the highest relationship existed between the celebrity expertise and buying behaviour and the lowest relationship existed between celebrity popularity and buying behaviour. Hence we can conclude that there is a strong significant relationship between celebrity endorsement and buying behaviour. This study has also highlighted that students are aware of different media for celebrity endorsements. The study clearly shows that celebrity endorsement function will help to boost up the sales of endorsed brands as people like to buy the brand more if endorsed by their favourite celebrity.
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