



EFFECT OF CELEBRITY ENDORSEMENT ON LUXURY BRANDED GOODS

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ABSTRACT

Gone are those days, when advertisements of all types of brands dealing in consumer products had random people featuring and creating awareness about a particular product. Now, it's very common these days, to assign a celebrity or a famous artist to do the honours. The concept of Celebrity Endorsements has occupied a large proportion of marketing strategies and is adopted by almost all the brands which aim towards occupying a large market share and to mark a stable future in the market. Through this paper, we have drawn certain conclusions through imperative study from the consumer's point of view of how consumer reacts towards their favourite artists endorsing certain brands. Is there a change in their consumption level and pattern with respect to change in the celebrity endorsing that particular brand? Despite being loyal to a particular brand, do consumers actually get affected if the brand has got no celebrity endorsing it? And finally, what are the prime reasons behind celebrity endorsements and promotions.

Keywords: Celebrity Endorsements, Market, Brands, Companies, Consumers, Artists, Marketing Strategies, Consumption

INTRODUCTION

Consumers have always been choosy in terms of approach, levels of satisfaction, lifestyle and ability to spend. They change with the changing environment to cope up with the trend and fashion. Different consumers have different tastes and preferences depending upon their budget and the situations prevailing in the market. However, as a matter of fact, their consumption levels, tastes and preferences and pattern of consumptions are hugely affected by numerous factors, of which, one of the most important factors is Celebrity Endorsements. Celebrity Endorsement, in layman terms, is defined as a contract extended by a brand or a company to a famous artist or group of artists to advertise, promote and create awareness about their products and services. This activity sows the seeds for big companies as their campaigns are launched and promoted by famous and established celebrities who have huge fan following and convincing power. Consumers from all over, who admire and idolise their favourite celebrities often get easily carried away by the charm and persona that the celebrities possess while advertising and promoting good luxury brands in various advertisements and magazines. Amidst of all the charm and charisma of the celebrities, the quality of the advertisement and channel or medium of the advertisement also plays an important role which adds to the impact of influencing the consumers to consume the products and services of the concerned brand more often. The Television commercials and the newspaper/magazine published advertisements carry a blend of both celebrity driven aspect and content driven aspect which creates more possibilities to attract innumerable

consumers and attain a reasonable amount of market share. For Example, the TVC of "Thumbs Up" featuring Salman Khan has its own benefit to be endorsed and promoted by a renowned celebrity like him. The Advertisement also showcases a lot of stunts, editing and situation-based dialogues which accompanies their tagline of "Aaj Kuch Toofani Karte Hain" (Lets do something adventurous today) and also creates better awareness and influence on the consumers. Celebrity Endorsements have so powerful and last long effect on consumers that they start getting addicted to the particular brand owing to the fact that their favourite Celebrity is endorsing it. From the company's point of view, it is a blessing in disguise since the celebrities charge a lot of money from them to promote their products and services for a limited period of time but this helps them to take over a huge market share and have a good and stable market standing in the future. This also improves the business cycle of the product concerned and boosts its progress towards improvement, innovation till ultimate desirability of the product. Thus, the concept of Celebrity Endorsements has become a brilliant field of research and experimentation over the period of time due to its excessive practice and adaptation.

OBJECTIVES

- 1 To determine how Celebrity Endorsements create an impact on the consumers.
- 2 To ascertain the determining factors which are considered while assigning a celebrity to endorse a brand?

- 3 To conclude the degree of impact on the consumers due to change in the celebrity endorsing the brand
- 4 The preferences and tastes of consumers towards brands having no celebrity endorsing it.

REVIEW OF LITERATURE

McCracken (1989) pointed out the celebrity endorsement process as a process of meaning transfer. Symbolic properties belonging to an endorser have been transferred to a specific product or brand, and then from the product to the consumers. McCracken (1989, p. 317) mentioned that “celebrities play a role in the final stage of meaning transfer because they have created the self”. Through different characteristics and contexts in their acting career, celebrities have earned a lot of attention and reputations in the first stage of the meaning transfer. The self-created by celebrities is also attractive in the eyes of the consumers. Liking a person or a reference group in a product advertisement can lead an individual to purchase it, regardless whether the product fits the individuals’ need or not (C. Whan & V. Parker, 1977, p. 103). Most of the consumer product advertisements are to persuade consumers to purchase while creating or keeping positive product attitudes (Rossiter & Percy, 1980). Verbal content and music can also produce visual imagery but only when the visual content is absent, such as when people are reading a book, or listening to a song on the radio. When both visual and verbal content are present in an advertisement, this enhances the attitude approach as both visual imagery and verbal belief are taken into account (Rossiter & Percy, 1980). Although “the strong visuals can complement good and produce synergistically effective advertisements” (Rossiter & Percy, 1980), other factors might also be more potent than the celebrity endorsers in cosmetics advertising. Rossiter and Percy (1980) developed the theory of attitude change through visual imagery in advertising in which using visual content can be equally effective as verbal content when building a favourable attitude and convincing a purchasing behaviour in advertisements. Aristotle said that “Personal beauty is a greater recommendation than any letter of introduction” (Aristotle). The image of a celebrity endorser and product information should be matched at an intersection in an effective advertisement to attract target audiences because of their social adaptation need. The hypothesis brings up the suggestion that an advertisement is more efficient than verbal communication through the image “match-up” communication. Menon (1998) examined the effectiveness of advertisement endorsed by celebrities and normal person. In this paper he examined the effectiveness by using the multivariate analysis. Friedman & Friedman (1979) explains “celebrity” as an “individual who is known to the public, such as actors, sport figures, entertainers” and others of the line for

his or her achievement in areas other than that of the product class endorsed. Laferty and Goldsmith (1999) found that Endorser credibility is one of the most frequently used methods in advertising to influence consumers’ attitudes and purchase intentions. (Ohanian 1991) The use of (by corresponding standards) attractive people is common practice in television and print advertising, with physically attractive communicators having proved to be more successful in influencing customers’ attitudes and beliefs than unattractive spokespersons. Copper (1984) explained that the general belief among advertisers is that advertising messages delivered by celebrities provide a higher degree of appeal, attention and possibly message recall than those delivered by non-celebrities. (Dinesh Kumar Gupta, 2007) The effectiveness of using a celebrity to endorse a firm’s product can generally be improved by matching the image of the celebrity with the personality of the product and the actual or desired self-concept of the target market.

RESULT AND ANALYSIS

Through the survey conducted, we dawn upon the fact that 54.7% of the consumers buy luxury branded products not so often i.e. they buy it very occasionally whereas 41.3% of the people buy luxury branded products very often followed by 4% of the people who don’t buy luxury branded products. Out of the consumers of luxury branded products, 44.3% of the people prefer Gucci, followed by Armani and Burberry with 42.9% and 34.3% respectively. Considering what is the main factor which attracts the consumers towards luxury products, 36.5% of the consumers get fascinated by the quality whereas 32.4% and 29.7% opt for durability and status symbolism respectively. Moreover, we get to know that 41.9% of the consumers are brand loyal i.e. their loyalty lies towards only certain products whereas 58.1% buy from any luxury brand.

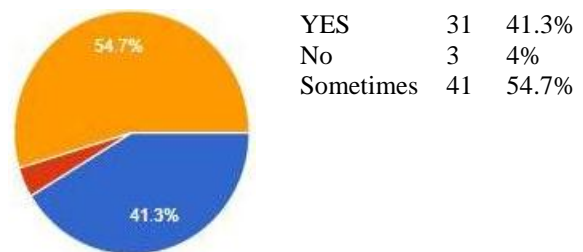
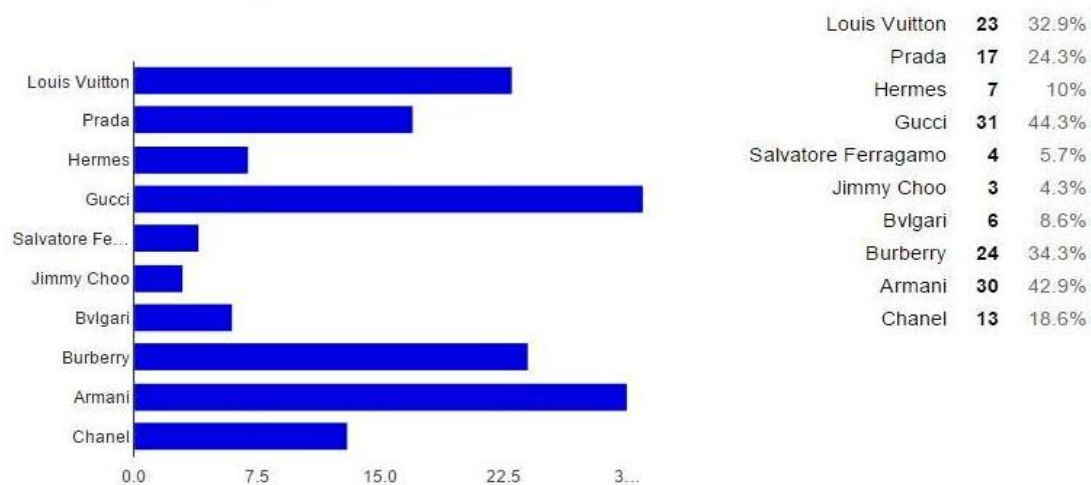


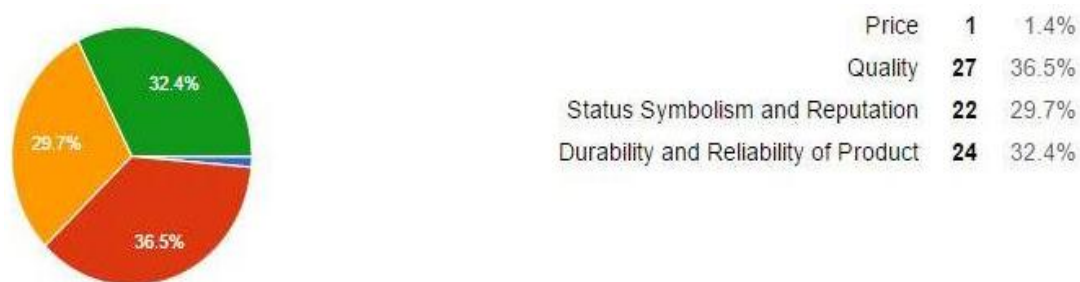
Figure 1- Do you purchase goods of Luxury Brands?

Out of the total proportion of buyers, 41.3% of the buyers purchase luxury branded goods whereas 54.7% of the proportion of buyers sometimes buys them. With a definite No, 4% of the proportion of buyers does not buy them at all.

Figure 2: Which Brand do you prefer?

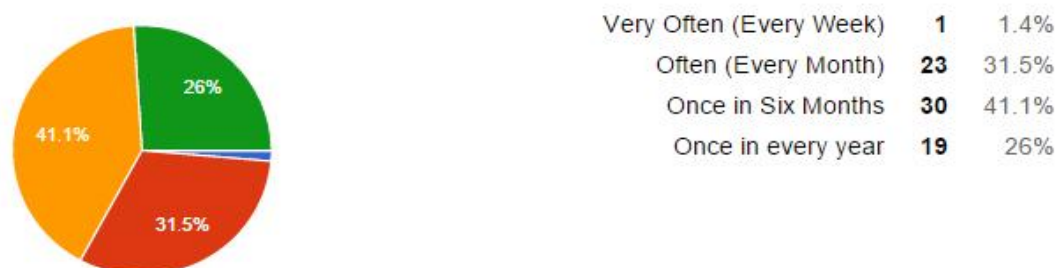
Talking of brands, Gucci steals the limelight of the buyers of branded products by majority of 44.3% followed by Armani by 42.9% of votes. Burberry, Louis Vuitton and Prada too

emerge to be the favourite brands of consumers with 34.3%, 32.9% and 24.3% of votes respectively.

Figure 3: What attracts you towards purchasing a luxury labelled brand product?

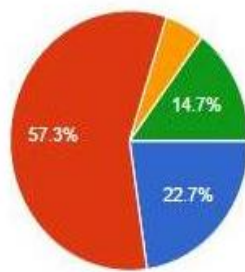
With Quality getting the maximum votes of 36.5%, it is certain that consumers prefer branded goods because of the quality it offers. Moreover, the durability and reliability of the

product with 32.4% is the second most opted factor which attracts the consumers to buy branded goods

Figure 4: How often do you buy luxury branded products?

Out of the total luxury branded good consumers, 41.1% of the consumers purchase them once in six months whereas 31.5% of the consumers buy them often i.e. every month.

Figure 5: Do you agree with the concept of famous Bollywood Celebrities endorsing consumer products to create impact and reputation?

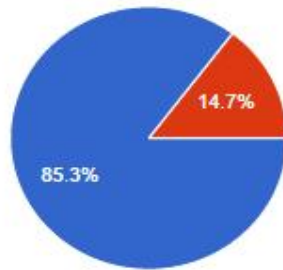


I strongly agree	17	22.7%
I somewhat agree	43	57.3%
I strongly disagree	4	5.3%
I somewhat disagree	11	14.7%

Talking of celebrity endorsements, 57.3% of the population of luxury buyers somewhat agree to this concept while 22.7% are the ones who strongly agree to this concept of celebrity

endorsements used as a tool for creating impact and reputation of the company and its products. 14.7% of the people slightly disagree with the same.

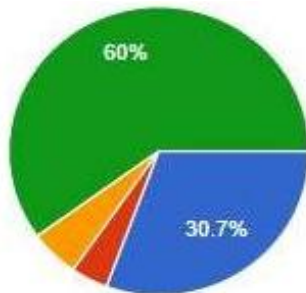
Figure 6: Do you think that signing a celebrity for a particular brand can improve and enhance its sales and reputation?



YES	64	85.3%
NO	11	14.7%

85.3% of the people are sure that celebrity endorsements can actually improve and enhance the sales and reputation of the brand concerned whereas 14.7% do not think likewise.

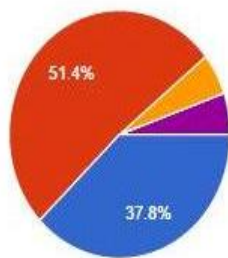
Figure 7: Why do you think big companies who deal in consumer products assign Bollywood celebrity as brand ambassador for their products?



Because they are attractive	23	30.7%
Because they understand the products and use it themselves	3	4%
Because they understand consumers	4	5.3%
Because it helps to generate curiosity about the product	45	60%

Talking of the reason behind celebrity endorsements, 60% of the people think that it helps to generate curiosity about the product among the consumers whereas 30.7% believe that

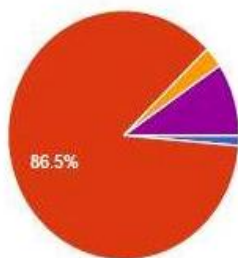
celebrities are stylish and attractive which constitutes to the second main reason behind celebrity endorsements.

Figure 8: Who do you think will be able to create more influence on the consumers to buy a luxury wrist watch?

Amitabh Bachchan (Yesteryear Legend)	28	37.8%
Shah Rukh Khan (Top Level Popularity)	38	51.4%
Ayushmaan Khurana (Mediocre Level Popularity)	4	5.4%
Deno Morea (Below Level Popularity)	0	0%
A Model (Zero Level Popularity)	4	5.4%

If a new luxury branded wrist watch is launched in the market, 51.4% of the people think that Shah Rukh Khan who happens to be a top level celebrity will be able to create more awareness whereas 37.8% think Amitabh Bachchan who is a

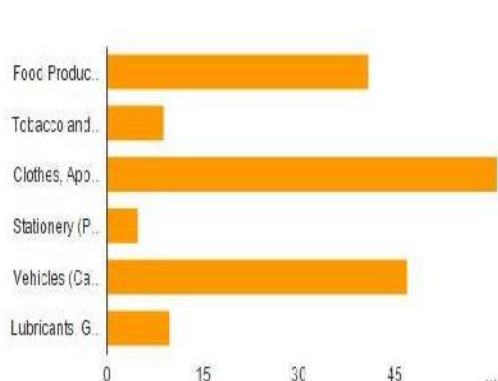
yesteryear legend will be a suitable choice for the same. Moreover, with equal votes, people think Ayushmaan Khurana (Mediocre Level Celebrity) and a random model will be able to create impact.

Figure 9: Who do you think will be able to create more influence on the consumers to buy a luxury labelled Perfume?

Jaya Bachchan (Yesteryear Legend)	1	1.4%
Priyanka Chopra (Top Level Celebrity)	64	86.5%
Mugdha Godse (Mediocre Level Celebrity)	2	2.7%
Shamita Shetty (Below Level Celebrity)	0	0%
A Model (Zero Level Popularity)	7	9.5%

If a branded perfume is launched in the market, people say that 86.5% of the people think that Priyanka Chopra who is a top level celebrity will be an apt choice to create awareness

whereas a random model is the second best alternative for the same. Mugdha Godse who happens to be a mediocre level celebrity will only be able to create a slow and low impact.

Figure 10 Choose any 3 options from the following options, which you, as an individual, think can posses a strong celebrity endorsement

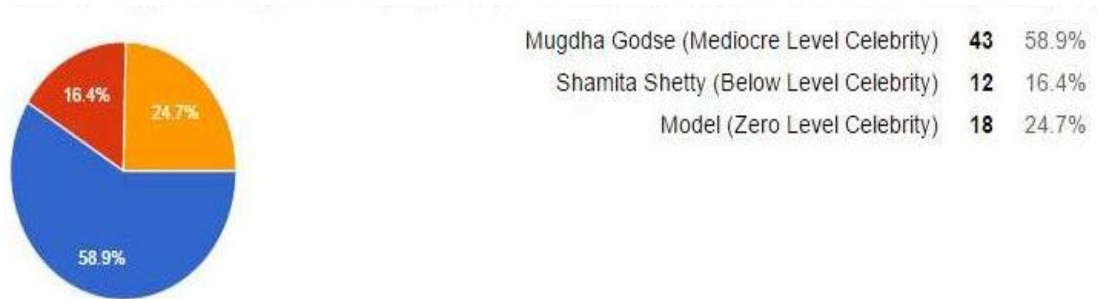
Food Products and Beverages	41	55.4%
Tobacco and Cigarettes of luxury brands	9	12.2%
Clothes, Apparels and Accessories	61	82.4%
Stationery (Pens, Pencils, Erasers)	5	6.8%
Vehicles (Cars, Scooters, Bikes)	47	63.5%
Lubricants, Grease and Paints of luxury brands	10	13.5%

Talking about the possession of Celebrity Endorsements, 82.4% the people think clothes, apparels and accessories can have strong celebrity endorsement while 63.5% of the people vote for vehicles followed by food products and beverages

with 55.4%. Lubricants, Grease and Paints of luxury brands are another add on with 13.5% votes followed by Tobacco and Cigarettes of luxury brands with 12.2% and Stationery with 6.8%.

Figure 11: If Mugdha Godse, Shamita Shetty and a random model advertise and promote the same brand of perfume in three different years, whose would be able to attract more consumers?

(Assuming the company assigns new brand ambassadors after every one year)



If all the three celebrities advertise for the same product, Mugdha Godse who happens to be a mediocre level celebrity will be able to create more impact as thought by 58.9% of the

people whereas 24.7% and 16.4% people vote for Shamita Shetty (Below Level Celebrity) and a random model respectively.

Figure 12: You are the director of a newly made luxury branded perfume. Who would you choose as your brand ambassador?



If a newly made luxury branded perfume enters the market, 97.3% of the people think that Priyanka Chopra would be able to create more impact as she is a top level celebrity whereas

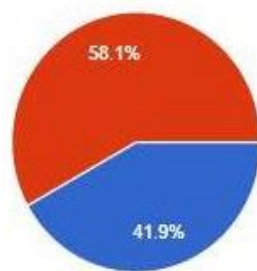
2.7% of the people think the same for Jaya Bachchan who is a yesteryear legend.

Figure 13: Choose the reason behind the option you ticked in the previous question.



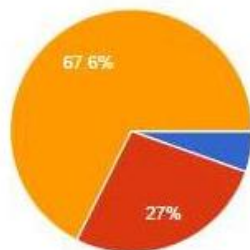
For the answer to previous question, 71.6% of the people support their answer on the base of sex appeal and beauty for

which they chose Priyanka Chopra followed by 20.3% relied on the reason of age difference.

Figure 14: Are you Brand Loyal? (Brand Loyal is a person who is addicted and obsessed with a particular brand)

YES	31	41.9%
NO	43	58.1%

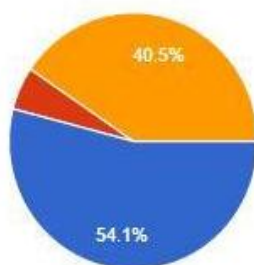
Talking of brand loyalty and brand addiction, 58.1% of the people are immensely brand loyal whereas 41.9% of the people shift their preferences towards different brands.

Figure 15: Assume that you are a regular consumer of a particular brand. Will you stop buying its products if the brand concerned changes its brand ambassador from Shah Rukh Khan to Sunny Deol OR Priyanka Chopra to Shamita Shetty?

Yes, Definitely	4	5.4%
May Be	20	27%
No, Never	50	67.6%

If a celebrity endorsing a particular brand is replaced by some other celebrity, 67.6% of the people will not be affected at all and would continue buying the products of the brand

concerned whereas 27% of the people may or may not followed by 5.4% of the people who would be very much affected.

Figure 16: Would you buy products of a brand that has got no celebrity endorsing it?

Yes, I would buy	40	54.1%
No, Not at all	4	5.4%
May be	30	40.5%

If a particular company has got no famous celebrity endorsing its products, 54.1% of the people will definitely buy the products as for them celebrity endorsement does not matter at the first place whereas 40.5% of the people may or may not followed by 5.4% of the people who would not buy at all.

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