



A Study On The Impact Of Celebrity Endorsement On Purchase Decision Of Youngsters In Bhopal Region Of India

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ABSTRACT

Celebrity endorsement is one of most successful and promising tool in advertising which is used to induce consumers. This tool is carefully used by marketers to attract consumers, especially youth and influence their purchase decision. The objective of this research paper is to examine the relationship between celebrity endorsements and its impact on the consumers purchase decision of Sub-Category of Snacks (Chips) under Food and Beverage industry among youngsters. This study will also attempt to analyze the factors that contribute to the building up of a positive brand image. The sample size taken for this study is 300 students in Bhopal City. A questionnaire was used to collect the responses. The responses received were analysed with the Chi-Square method to evaluate the impact of celebrity endorsements on consumer purchase decision.

KEYWORDS

Brand Identification, Brand Image, Celebrity Endorsement, Consumer, Purchase Decision

1. INTRODUCTION

Celebrities are generally referred to as people who have attained recognition from public and possess attributes like trustworthiness, and attractiveness (McCraken, 1989 and Silvera and Austad, 2004) Celebrity endorsements are a popular and lucrative advertising strategy. Companies invest heavily in securing celebrity partnerships, believing that these endorsements enhance brand image and drive sales. For example, Nike's endorsement spending in 2004 reached approximately \$339 million. In India, about 45% of TV commercials feature celebrities, while in the US, this figure is around 25%. This widespread use of celebrity endorsements reflects the perception that celebrities positively influence consumer perceptions of brands (Erfgen, 2011).

Pappas (1999) examined the importance of celebrity power in endorsements and highlighted how well-planned advertising may help celebrities turn their influence into brand equity. Advertisers often use celebrity endorsers in their advertising as a way to persuade and influence potential buyers of their product or service (Dwivedi and Johnson, 2013). The use of celebrities makes the viewers move through different stages of consumer adoption or decision-making process as explained in communication effect model, very quickly at each and every stage.

In India, people have strong admiration for Celebrities. Also, Celebrity endorsements in India have a huge potential to resonate with consumers as authentic and persuasive, leading them to purchase the endorsed product. Campaigns done by celebrities have a prominent appeal. Thanda Matlab CocaCola, Aaj kuch toofani karte hai, Tedha hai par mera hai, isko laga daal toh life zhingha lala etc are taglines used by celebrities in their endorsed product advertisements.

2. LITERATURE REVIEW

We encounter daily several Celebrities endorsing products in many advertisements. The presence of Celebrities in such advertisements attracts consumers' attention. Advertising employing celebrity endorsers enjoys high popularity among brand managers (Amos et al., 2008). Strong, unique, and favorable brand associations help companies differentiate their products from those of competitors and thus support a competitive advantage (Aaker, 1991; Krishnan, 1996). As a brand value driver, brand image also establishes an important foundation for a brand's monetary value (Keller, 1993).

Advertisers strive to rope in such celebrities for endorsement who are not only attractive (Baker and Churchill Jr 1977) but credible as well (Sternthal, Dholakia et al. 1978). Consumers associate better with celebrities who are credible and trustworthy, some like those who are attractive and possess charming physical features, and some look for and consider both of these dimensions. "Additionally advertisers also look for an appropriate match between the celebrity's personality and product's attributes. This match-up also proves to be successful because the congruence of features from the celebrity and the product targets the senses of the customer more positively and leads to the development of favorable perceptions about the brand" (Michael 1989, Ohanin 1991). An endorser's powerful communication, amplified by the existing psychological connection between consumer and brand, encourages a willingness to reconsider brand perceptions. This, in turn, can result in changes in loyalty, increased purchase intent, and brand switching (Cohoi and Rifon 2007).

Celebrity advertising has become a trend for marketers. It has been recognized as a potential tool in communication, where celebrities can be seen as the most powerful way to verbalize the relationship between a product and a brand rather than any anonymous model (Brian Moeran, 2003). In India, according to a report by FICCI, 60% of Indian brands used celebrities in 2008 whereas it was only 25 percent in 2001 (Shashidhar, 2008). FICCI also estimated that roughly six billion rupees are spent each year as endorsement fees of celebrities.

Escalas & Bettman (2003) observed that consumers associate or dissociate themselves from brand based on celebrity endorsement on the basis of their self-related needs, such as “self-enhancement.” Escalas and Bettman (2005) also concluded that consumers may construct their self-identity and present themselves to others. It is done through their brand choices based on the congruency between brand-user associations and self-image associations. Customers make their purchasing decision according to their awareness and feeling about the brand (Tan et al., 2022). The more they know about the brand and have a positive feeling, the more likely they will purchase the product of that brand.

3. OBJECTIVES OF THE STUDY

Celebrity Endorsement is among the preferred way to advertise as it has an ability to attract a large number of consumers. Celebrities have built-in images and followers, both powerful influencers to potential consumers (Ford, 2018). It is not a new phenomenon; many research works have already been done.

The basic purpose of this study is to understand and study the impact of Celebrity Endorsement on Brand Purchase. This study is done for the population in Bhopal region of India. This study attempts to:

- To study the impact of Celebrity Endorsement on the purchase decision of consumers
- To understand what are the other factors that impact the purchase of the consumers in Sub-Category of Snacks, particularly Chips under Food and Beverage industry

For this study, Food and Beverage Industry is taken into consideration. The Sub Category is Snacks and the product taken is Chips. Below mentioned Celebrity endorsed Chips or potato wafers brand were taken for the study.

Table 1: Potato Wafers Brand and Celebrity endorsing them

Chips/ Potato Wafers Brand	Endorsing Celebrity
Bikaji	Amitabh Bachchan
Lays	Ranbir Kapoor/ Alia Bhatt
Bingo	Ranveer Singh
Kurkure	Saara Ali Khan
Doritos	Kartik Aryan
Balaji	Aayushmaan Kurranna
Too Yumm	Varun Dhawan/ Virat Kohli

4. HYPOTHESES

On the basis of above mentioned objectives, following hypotheses have been formulated:

H₀₁: Celebrity Endorsement does not significantly impact Brand Identification

H₀₂: Celebrity Endorsement does not significantly impact Brand Image

5. DETAILED METHODOLOGY

The methodology comprises of both primary and secondary research. The study has been carried out in and around Bhopal city (capital of Madhya Pradesh). The study was carried out in the months of October to December 2024.

5.1 Sampling

The sample size of the study will be 300 individuals; both male and female were considered. Since, advertisements featuring Celebrities were done to attract young population; therefore youth are majorly targeted from the Universities and Colleges. Both online and Offline mode of getting questionnaire filled is considered to get the required number of questionnaire. The target population was the Chips consumers in Bhopal city in the age group of 15 – 40 years.

In this study, the sampling method used is non- random, and type is convenience sampling and snow-ball sampling. Convenience sampling is taken because who so ever is available can fill the questionnaire. Snow ball sampling is used because the friends and peers that had been previously selected as per the convenience of the researcher further referred their own friends and colleagues.

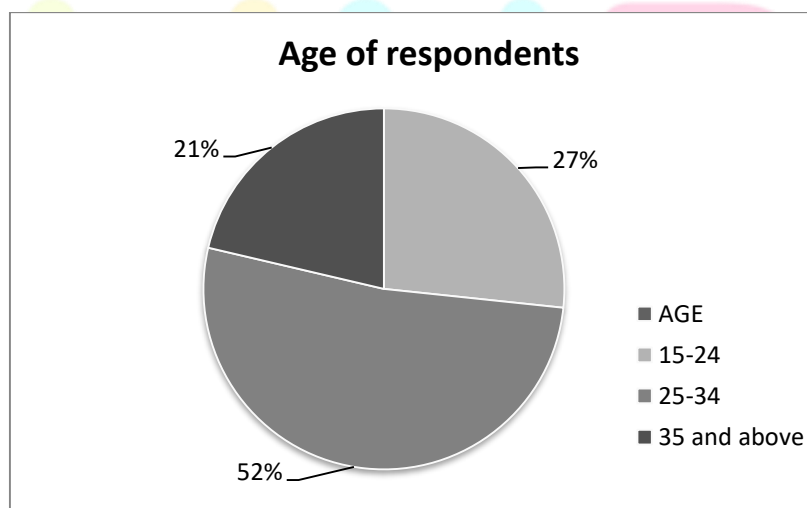
5.2 Data Collection Method

For collecting secondary data, various articles published in Journals, Conference Proceedings, Research Reports, Newspaper article and websites have been taken into consideration. For getting the primary data, a questionnaire was used. For understanding the objectives of this study, the responses collected from the structured questionnaire were analyzed. The data collected will be analysed using Chi-Square test using MS-Excel. The demographic details collected through the questionnaire were used for the classification purpose.

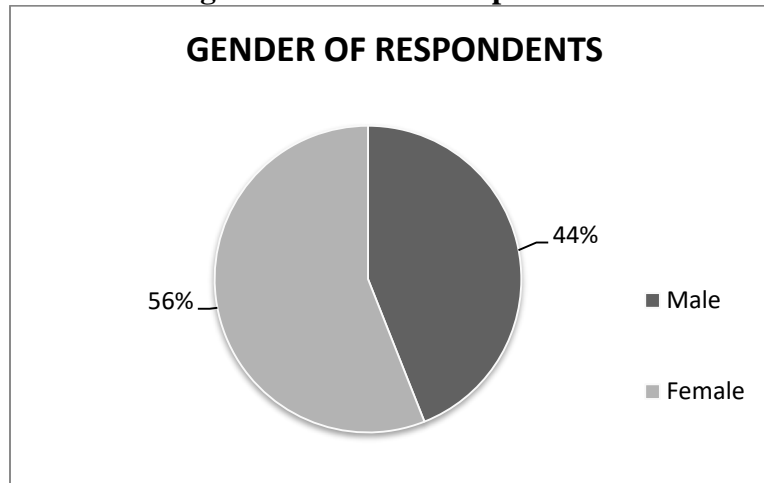
6. DATA ANALYSIS & INTERPRETATION

Before analysis of data, the duplicity of respondents was checked. It was also checked, that only completely filled questionnaire by the respondents were considered. The data collected for classification purposes is shown below in the form of Pie-Charts.

Figure 1: Age of respondents



The above mentioned Chart shows that 27% of the respondents are between the age group of 15 to 24, 52% of the population belongs to 25-34 age group and remaining 21% are above 35 years of age.

Figure 2: Gender of respondents

The above mentioned chart shows the classification of population on the basis of Gender, where 56% is female and rest 44 % is male. To generate output, analysis was done with the help of MS Excel. A chi-square test was performed on the data collected through the questionnaire For the sample population of 300 respondents, the chi-square static was tested at a 5 percent level of significance.

For testing first hypotheses (**H01**) **Celebrity Endorsement does not significantly impact Brand Identification**, following questions were asked from the respondents and respondents were asked to rate them on a scale of 1(lowest preference) to 7(highest preference).

Table 2: Chi – Square Testing: Observed Frequency

Rating (1- Lowest, 7– highest)	Celebrity endorsement generates the need for Chips	My Preferred Brand of Chips Helps me Attain the Type of Life I Strive for Because of the Celebrity who is Endorsing it	Most of the Brands of Soft Drink are all Alike Except When the Advertisement Helps in Differentiating it	I don't Think Celebrity Endorsement has Any Impact at All	Total
1	9	11	6	7	33
2	7	21	7	3	38
3	12	21	25	12	70
4	18	22	28	12	80
5	6	18	12	14	50
6	12	4	4	2	22
7	6	0	0	1	7
Total	70	97	82	51	300

Table 3: Chi – Square Testing: Expected Frequency
Expected Frequency = (Row total * Column Total)/ Grand Total

Rating (1- Lowest, 7– highest)	Celebrity endorsement generates the need for Chips	My Preferred Brand of Chips Helps me Attain the Type of Life I Strive for Because of the Celebrity who is Endorsing it	Most of the Brands of Soft Drink are all Alike Except When the Advertisement Helps in Differentiating it	I don't Think Celebrity Endorsement has Any Impact at All
1	7.7	10.67	9.02	5.61
2	8.866667	12.28667	10.38667	6.46
3	16.333333	22.63333	19.13333	11.9
4	18.66667	25.86667	21.86667	13.6
5	11.66667	16.16667	13.66667	8.5
6	5.133333	7.113333	6.013333	3.74
7	1.633333	2.263333	1.913333	1.19

Table 4: Calculation of Chi – Square Value
Chi Square Value = (Observed Frequency – Expected Frequency)^2 / Expected Frequency

Rating (1- Lowest, 7– highest)	Celebrity endorsement generates the need for Chips	My Preferred Brand of Chips Helps me Attain the Type of Life I Strive for Because of the Celebrity who is Endorsing it	Most of the Brands of Soft Drink are all Alike Except When the Advertisement Helps in Differentiating it	I don't Think Celebrity Endorsement has Any Impact at All
1	0.219481	0.010206	1.011131	0.344403
2	0.392982	6.179233	1.104253	1.853189
3	1.14966	0.117869	1.798839	0.00084
4	0.02381	0.578007	1.720325	0.188235
5	2.752381	0.207904	0.203252	3.558824
6	9.185281	1.36263	0.674087	0.809519
7	11.67415	2.263333	1.913333	0.030336
				51.32749

Table 5: Output Table

Chi Square Calculated	51.32749
Chi Square Critical	28.869
P Value	0.00
Sig Level	0.05
Degree of Freedom (No of rows -1) X (no of Columns - 1)	18

By observing table 3, 4 and 5, Chi Square value and its critical value at 18 degrees of freedom and 5 percent level of significance are calculated. As the calculated Chi Square Value 51.32749 is greater than its critical value of 28.869, we reject Null Hypotheses. The P Value is 0.00 which is less than the

significance value of 0.05; thus we reject the null hypotheses. Therefore, it is concluded that Celebrity Endorsements significantly impacts Brand Identification.

For testing second hypotheses (**H02**) **Celebrity Endorsement does not significantly impact Brand Image**, following questions were asked to respondents to understand that which of the celebrity and brand pair fit best with each other. Their preferences were asked on a scale of 1 to 5 where 1 means best and 5 means worst. Various Pairs of Chips brands ad respective celebrity endorsing it was identified to see if consumers prefer the brand because of the celebrity endorsing it as they consider it a perfect match.

Table 6: Chi – Square Testing: Observed Frequency

Rate Scale	Amitabh Bachchan for Bikaji	Ranbir Kapoor for Lays	Ranveer Singh for Bingo	Saara Ali Khan for Kurkure	Kartik Aryan for Doritoz	Aayushmann Khurana for Balaji	Virat Kohi for Too Yumm	Total
1	25	11	4	16	4	0	26	86
2	12	3	18	19	2	3	27	84
3	12	17	6	7	10	14	11	77
4	4	2	10	10	8	3	0	37
5	0	3	3	2	1	6	1	16
Total	53	36	41	54	25	26	65	300

Table 7: Chi – Square Testing: Expected Frequency
Expected Frequency = (Row total * Column Total) / Grand Total

Rate Scale	Amitabh Bachchan for Bikaji	Ranbir Kapoor for Lays	Ranveer Singh for Bingo	Saara Ali Khan for Kurkure	Kartik Aryan for Doritoz	Aayushmann Khurana for Balaji	Virat Kohi for Too Yumm
1	15.19333	10.32	11.75333	15.48	7.166666667	7.453333	18.63333
2	14.84	10.08	11.48	15.12	7	7.28	18.2
3	13.60333	9.24	10.52333	13.86	6.416666667	6.673333	16.68333
4	6.536667	4.44	5.056667	6.66	3.083333333	3.206667	8.016667
5	2.826667	1.92	2.186667	2.88	1.333333333	1.386667	3.466667

Table 8: Calculation of Chi – Square Value

Chi Square Value = (Observed Frequency – Expected Frequency)² / Expected Frequency

Rate Scale	Amitabh Bachchan for Bikaji	Ranbir Kapoor for Lays	Ranveer Singh for Bingo	Saara Ali Khan for Kurkure	Kartik Aryan for Doritoz	Aayushmann Khurana for Balaji	Virat Kohi for Too Yumm
1	6.3297967	0.044806	5.114649	0.017468	1.399224806	7.453333	2.912403
2	0.543504	4.972857	3.702997	0.995661	3.571428571	2.516264	4.254945
3	0.1889741	6.517056	1.944303	3.395354	2.001082251	8.043963	1.936081
4	0.9843974	1.340901	4.83254	1.675015	7.84009009	0.013319	8.016667
5	2.8266667	0.6075	0.30252	0.268889	0.083333333	15.34821	1.755128
							113.78

Table 9: Output Table

Chi Square Calculated	113.78
Chi Square Critical	36.415
P Value	0.00
Sig Level	0.05
Degree of Freedom (No of rows -1) X (no of Columns - 1)	24

Above mentioned table 7, 8 and 9 helped us to calculate chi-square value and its critical value at 24 degrees of freedom and 5 percent level of significance. As the calculated ch-square value (113.78) is greater than the chi-square value (36.415), we reject null hypotheses. The P Value is less than the significance value of 0.05; hence we reject the null hypotheses. Therefore, it is calculated that Celebrity Endorsement significantly impacts Brand Image.

7. CONCLUSIONS

The analysis of this study has helped to conclude the impact of celebrity endorsement on Brand Identification. There is significant impact of Celebrity endorsement on Brand Identification. Most of the people who consume chips associate themselves with the brand and are able to establish congruence between their personality and the brand. This established linkage prompts them to go and choose the particular brand disregard of availability, price or any other factor. The research findings of the study are in sync with the researches done by previously and is supported by literature findings too.

To investigate the influence of celebrity endorsements on brand image, this study analyzed various celebrity-brand pairings, selected to represent a range of personality types. The several celebrities – brand pair was chosen to reflect various personality types to which individual consumer can associate and to understand whether the celebrities really influences the image of the brand which ultimately attracts the consumer towards it. The results confirmed a significant impact, demonstrating that celebrity endorsements effectively alter consumer perceptions of a brand. This finding is consistent with previous research across multiple sectors, including automobiles and FMCG.

It is therefore can be concluded that Celebrity Endorsement influences the purchase decision of consumers by having a significant impact on the Brand Image. Also, it helps in Product Identification.

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