

EFFECTIVENESS OF FOREIGN CELEBRITY ENDORSEMENTS ON THE CONSUMERS' PURCHASE INTENTION TOWARDS INDIAN BRANDS – AN EMPIRICAL STUDY

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Abstract

Famous persons in the advertisements have been adopted for longer period and recently it is widely implemented by Indian firms. Knowing that the celebrities can attract the attention and induce the interest of consumers towards the advertisement, companies invest huge amount to promote their product with the presence of celebrities. At one end, organizations use celebrities from home country in their advertisements. On the other end, some organizations influence the consumers with foreign celebrities in their advertisements. Corporate like AMP-Sanmar, MRF, Bajaj, Pepsi, Titan, etc. are using foreign celebrities to promote/endorse their brands. But the need for using non-Indian celebrities is an issue to be analyzed. The results of this research show that the presence of foreign celebrity enhances the purchase intention of the product and people who are below twenty-five years of age are most influenced by foreign celebrities. Rest of the variables like attitude towards advertisement, gender, occupation, income, and native places are not significant association with foreign celebrities.

Keywords: Celebrity, Endorsers, Foreign celebrity, Celebrity Advertisement, Advertisement

Introduction

LPG paves the way to exchange the business players around the world. Global organizations target India because of its potential resources and market. As a sign of development, Indian companies position themselves in abroad, which show that India gradually acquiring the status of developed country. Till recent past, the market for any player was restricted and they have to do business within a boundary. But now, we are in the age of convergence where marketers move around the world to create base for their product, which means that combining the individual market into a universal market. As a matter of fact, advertising is an efficient and effective marketing tool available with marketers to promote and create awareness for their product. Few decades back US firms followed an innovative way to win the marketing context by using famous personalities. Indian companies adopt western countries' strategy of using famous personalities in their advertisement.

As Indian firms are stepping into abroad; they want to make aware of consumers about their presence in foreign countries, which means that their brand is a global brand. They aim to establish a positive image in the minds of consumers about their firm and their brand. However, it is difficult for the audience to remember all brands except those they use regularly. Celebrity advertisements are widely used by companies to persuade, influence and enhance the recall level of the consumers. Celebrities are famous personalities who are considered to be highly dynamic, with attractive and engaging personal qualities.

Review

Firms use celebrities to differentiate their advertisements from others. Studies show that the effectiveness of celebrity endorsed advertisement is more than a non-celebrity endorsed advertisement. Friedmen and Friedmen (1979) hypothesized and found that the use of a celebrity endorser would lead to higher believability, more favorable evaluation of the product and advertisements and a significantly higher intention to purchase the product than advertisements using a non-celebrity endorser. This result is applicable for the products, which are high in psychological and social risk whereas it is fairly poor for the products, which are high in financial, performance and physical risks. Atkin and Block (1983) propose that a celebrity endorses for a brand of alcohol, produced consistently more favorable ratings for the advertisement and product than non-celebrities endorsers.

It has been identified that celebrities have the capacity to attract the attention of the audience and thereby indirectly influence the consumers to enhance the sale of a product. Widely used celebrities in the advertisements are film stars and sportsperson. Apart from these celebrities, professionals like doctors, CEOs, politicians, etc. are also endorse products. The success of celebrity advertisements rests on many factors of which the credibility and attractiveness of the celebrity is most important. The credibility of the celebrity is measured by trustworthiness and expertise, which are the two components of credibility. According to Woodside and Davenport (1974), high credible sources have been found to produce more positive attitude change toward the position advocated and to induce more behavioral changes than have less credible sources. McGuire developed the source attractiveness model in the year 1985 and his model contends that a message, for its effectiveness depends chiefly on the “familiarity”, “likeability” and/or “similarity” of the source. Friedman and Friedman, (1979) suggest that the advertisers have often chosen celebrities on the basis of their physical attractiveness, intending to gain from the dual effects of celebrity status and physical appeal. Kelman (1961) demonstrated that credibility and attractiveness are the two basic attributes contributing to an endorsers’ effectiveness as each of them involves a different mechanism by which the endorser affects consumer attitude and behavior. Even though a celebrity is high in credibility and attractiveness, the matching between him/her and the product must exist which will lead to proper meaning transfer (McCracken, 1989). According to him, the celebrities contain powerful and multi-dimensional meaning that they deliver along with their persona, which depends on the status, class, gender, age, personality and lifestyle types. Some celebrities have represented not only a single meaning, but also an interconnected set of meanings.

India, being a developing country is flooded with different brands and many international organizations are targeting India to stabilize their business. This leads to increase in competition and hence organizations use celebrities. Till recent, Indian celebrities are widely used by Indian companies and they succeed in their business. As India is becoming powerful in all aspect like defense, education, technology and communication, sports, music and business, Indian consumers are familiar to the foreign celebrities. In sports field, India is gaining popularity in both Cricket and Tennis which make the audience to see both Indian and foreign celebrities. Also in India more English movies are featured that leads to familiarization of Indian consumers over foreign film stars.

As Indian consumers are familiar with foreign celebrities, some Indian organizations use foreign celebrities to endorse their brands. Corporate like AMP-Sanmar, MRF, Bajaj, Pepsi, Titan, etc. are using foreign celebrities to promote/endorse their brands. There are many factors considered while using foreign celebrities in Indian advertisements.

- i. Since foreign celebrities are new to the market with high popularity, people may like them and hence firms use foreign celebrities.
- ii. The appearances of non-Indians are more in media that may attract the audience towards foreign celebrities.
- iii. People may assume that the foreign celebrities have good knowledge and experience.
- iv. Foreign celebrities may possess some extraordinary characteristics that Indian celebrities do not have.

Corporate pay more money to foreign celebrities to make their presence in the advertisement. The question here is, why organizations pay huge bucks to foreign celebrities, when experienced, knowledgeable, attractive and inexpensive Indian celebrities are available? Which segment of people is attracted by foreign celebrities based on sex, region and occupation? In order to find the answers, the following objectives were framed.

Objectives

1. To study the consumers attitude towards foreign celebrities.
2. To elucidate the effectiveness of foreign celebrities over Indian celebrities.
3. To analyze the influence of demographic characters of the consumers on foreign celebrity endorsements.

Methodology

In order to achieve the above objectives, a questionnaire was prepared that measures the consumers' attitude towards general celebrity advertisements, celebrity, foreign celebrity endorsers, purchase intention, and questions related to the demographic characters of the respondents. Attitude towards general celebrity advertisement was measured by four items viz. attention, interest, awareness, and skipping of advertisement. Attitude towards celebrity was measured by confidence, liking, knowledge, attractiveness, and gender of celebrity. Four items were used to measure the purchase intention of the consumers towards celebrity advertised product. Various dimensions about foreign celebrity endorsers were measured in the questionnaire like experience, knowledgeable, familiarity and image of the celebrities. All the items were measured with 5-point Likert scale where 5 represents strongly agree and 1 represents strongly disagree. The respondents were selected with different profession and educational background. The respondents were adumbrated about the celebrity advertisements and request their cooperation in filling the questionnaire. The data were collected and analyzed using SPSS package.

Analysis

The data were collected from 238 respondents in which 107 are male and 131 are female. Most of the respondents are in the age group of 20 to 25 years (42.9%) and only 18% of the respondents are above 35 years of age. Many respondents (56.3%) have finished their postgraduate degree and 23.1% of the respondents are professionals. 19.3% of the respondents are from student community and 18.9% of the respondents are housewives. The remaining percentages of the respondents are almost equally distributed over business, teaching and software profession. As far as monthly income of the respondents are concerned, 27.7% are within Rs. 5000 to Rs. 10000 and 25.2% are above Rs. 20000. People from town place are 39.1% and from rural place are around 30%, which is same as people from city area.

Table – 1: Association between Stimuli Variable and Purchase Intention

Stimuli variables		Purchase Intention								X ² - test	df	p-value
		Low	%	Medium	%	High	%	Total	%			
Attitude towards advertisement	Low	1	5	0	0	0	0	1	0.4	24.573	4	<0.001*
	Medium	7	35	10	11.3	10	7.5	27	11.4			
	High	12	60	75	88.2	123	92.5	210	88.2			
	Total	20	100	85	100	133	100	238	100			
Attitude towards celebrity	Low	4	20	4	4.7	3	2.3	11	4.7	25.420	4	<0.001*
	Medium	10	50	37	43.5	34	25.6	81	34			
	High	6	30	44	51.8	96	72.1	146	61.3			
	Total	20	100	85	100	133	100	238	100			
Attitude towards foreign celebrity	Low	13	65	31	36.5	32	24.1	76	31.9	21.471	4	<0.001*
	Medium	4	20	38	44.7	49	36.8	91	38.2			
	High	3	15	16	18.8	52	39.1	71	29.9			
	Total	20	100	85	100	133	100	238	100			

*-significance at 1% level

The consumers' attitude differs for different persons and it is not similar when they see an advertisement. Organizations give advertisements with a view to attract the audience and thereby enhance the intention to purchase the product for which they use celebrities. Hence the purchase intention is depends on the consumers' attitude towards the advertisement and the celebrity.

Table - 1 shows the association between the dependent variable purchase intention and the independent variables attitude towards advertisement, attitude towards celebrity and attitude towards foreign celebrity endorsers. Consumers with high attitude towards advertisement have high purchase intention (92.5%) and very less number of consumers have high attitude towards advertisement and have low purchase intention and it is proved by Pearson Chi-square test (X^2 value = 24.573; df = 4; $p < 0.001$) which means that there is a strong association between the consumers attitude towards advertisement and their purchasing behavior. If consumers have higher attitude towards advertisement, then their purchasing behavior is also high. As far as attitude towards celebrity is concerned, consumers with high attitude towards celebrity will have more purchase intention and people with less attitude have less purchasing intention, which is again proved by Pearson Chi-square test (X^2 value = 25.420; df = 4; $p < 0.001$).

With regard to attitude towards foreign celebrity, 29.9% of the respondents have high attitude and 31.9% of the respondents have low attitude while remaining are in neutral. Hence we cannot conclude that people have high degree of opinion towards foreign celebrity endorsers. Even then it is desirable to check whether the attitude towards foreign celebrity has any association with consumers' intention to purchasing the endorsed product. 70% of the respondents who have higher attitude towards foreign celebrity will have high degree of purchase intention and only 4% of the respondents have less intention to purchase. Hence it is clear that people with high attitude towards foreign celebrity will have high purchase intention, which is proved by Pearson Chi-square test ($X^2=21.471$; $df=4$; $p < 0.001$). But 40% of the respondents who has low attitude towards foreign celebrity will have high intention to purchase and hence it can be concluded that apart from foreign celebrity endorsers, some other factors are there to induce the purchase intention of the product that could be identified.

Table – 2: Association between Attitude towards Advertisement and Attitude towards Foreign Celebrity

Stimuli variables		Attitude towards foreign celebrity				Chi square value	df	p-value
		Low	Medium	High	Total			
Attitude towards advertisement	Low		1		1	5.178	4	0.270
	Medium	12	6	9	27			
	High	64	84	62	210			
	Total	76	91	71	238			

Table - 2 shows the relationship between attitude towards advertisement and attitude towards foreign celebrity endorsers. 87.3% of the respondents who have high attitude towards foreign celebrity will have high attitude towards the advertisement. Again 84% of the respondents who have low attitude towards foreign celebrity have high attitude towards advertisement, which shows that in spite of the foreign celebrity endorsers there are some other factors that influence the consumers to show positive attitude towards celebrity advertisements. Hence it can be concluded that there is no significant association between attitude towards foreign celebrity endorsers and attitude towards advertisement, which is proved by Pearson Chi-square test ($X^2 = 5.178$; $df = 4$; $p = 0.270$).

Table – 3: Univariate ANOVA - Relationship between demographic characters and the attitude towards foreign celebrity endorsers

Demographic Variable		Mean	SD	N	F-value	df	sig
Gender	Male	2.0841	.79053	107	3.502	1	0.063
	Female	1.8931	.77709	131			
	Total	1.9790	.78728	238			
Age	< 20 years	2.3333	.51640	6	5.417	5	0.043**
	20 - 25 years	2.0686	.83559	102			
	26 - 30 years	1.7547	.78215	53			
	31 - 35 years	1.9706	.71712	34			
	36 - 40 years	1.9545	.72225	22			
	> 40 years	2.0476	.74001	21			
	Total	1.9790	.78728	238			
Education	Primary school	2.0000	.	1	1.150	5	0.335
	Secondary school	2.1818	.60302	11			
	Professional degree	1.8909	.73718	55			
	Graduate	2.0606	.82687	33			
	Post Graduate	1.9552	.81218	134			
	Diploma/certificate	2.7500	.50000	4			
	Total	1.9790	.78728	238			
Contd...							
Occupation	Student	2.0652	.90436	46	1.081	6	0.374
	Teaching	1.7000	.70221	30			
	Executive	1.8571	.65465	21			
	Software	1.9333	.78492	30			
	Business	2.1429	.80343	28			
	Housewife	2.0444	.79646	45			
	Cinema	2.0000	.73521	38			
	Total	1.9790	.78728	238			
Native Place	Rural	11.5867	3.87680	75	2.291	2	0.103
	Town	10.3763	3.36838	93			
	City	10.6571	4.05357	70			
	Total	10.8403	3.76186	238			

** -significance at 5% level

In analyzing the relationship between consumers' attitude towards foreign celebrity endorsers and their demographic characters, Univariate ANOVA was performed and the results are shown in the table-3 that except age of the respondents no demographic character of the consumers have significant relationship with their attitude towards foreign celebrity endorsers. As far as the age of the respondents is concerned, the consumers' attitude towards foreign celebrity has significant association, which is proved by Univariate ANOVA ($F=5.417$; $df=5$; $p=0.043$). Consumers who are less than 25 years of age are showing positive attitude towards foreign celebrity endorsers than others (Mean=2.2008). This may be due to the exposure of foreign celebrities to those age group because the opportunity to go to movie, reading books, interest in playing games, etc are more for younger age group rather than older and hence this group attracts foreign celebrity endorsers and show greater attitude towards them.

Discussion

Now-a days, using foreign celebrities in the advertisements is a new strategy followed by corporate, but the effectiveness of them in the advertisement is question to ponder. The results of this study shows that there is some relationship between the consumers' purchase intention of the product and their attitude towards foreign celebrity endorsers. No variable in the present study has relationship with the foreign celebrity endorsers except purchase intention, which is the end result a company and age of the respondents. Hence product executives should concentrate on the selection of foreign celebrity endorsers so that various characteristics vested with them can be exposed to the audience that influences them to purchase the product. The selection process of celebrity endorsers must be viewed from three different aspects like, company, product and celebrities (Rajkumar et al, 2005). As age has significant relationship with foreign celebrity endorsers, the firm should concentrate on the age of the respondents and design the advertisement so that it attracts other age groups. Also while selecting celebrity endorsers, company must consider the nature of the respondents who use the products. When the end users are in the age group of less than 25 years, then it is better to use otherwise it is not desirable to use foreign celebrities. Even though foreign celebrities are used by the organization, people have high attitude towards local celebrities than foreign celebrities, which is proved in this research. The foreign celebrities may be used to attract the attention of the audience immediately but remembrance of the advertisement may be difficult because, the presence of foreign celebrity in the minds of the consumers may be for shorter period. Also foreign celebrities may not be known to most of the people except those who are living in city and well educated. The future research could be done on the comparative study of the impact of foreign celebrity endorsers in rural and urban region.

Conclusion

Though using of foreign celebrity is quite popular in western countries, it is in the initial stage in our country. Consumers are able to recall the foreign celebrity advertisement better than other advertisements in the same product category. It is also established that respondents below 25 years of age evaluated the foreign celebrity advertisements more positively than Indian celebrity advertisements. In spite of these positive signs, communication executives must evolve a strategy to make a decision regarding signing-up of foreign celebrities. Issues like penetration of foreign celebrities in rural market, awareness level of the foreign celebrity among different segments, complexities in image transfer and additional benefits of showing foreign celebrity are important critical factors to be considered.

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