

# Effectiveness of Celebrity Endorsements In Brand Recall and Purchase Decision

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## INTRODUCTION

A celebrity is a well known personality who enjoys public recognition by a large group of people. Celebrity endorsement is an advertising technique in which advertisers use famous personalities in a commercial to connect to the consumers' emotions, psychographs, and demographics (Schlecht, 2003 cited in Alsmadi, 2006). Recently, most business firms are relying heavily on celebrity endorsement to promote their products to their target markets and spend crores of rupees every year as celebrity fees. The use of famous personalities in advertisements generates more attention and positive attitude for the brand or product among the masses and affects their purchase intentions. Advertisers relate the lifestyle, skills, attractiveness and equity of the celebrity to the product these celebrities endorse. This tool should be used effectively and efficiently to create a fit between the celebrity and the endorsed brand.

Celebrity endorsement acts as an opportunity for celebrities. Film stars, composers and singers, painters, world champions and models are all offered endorsement offers when they achieve fame (Suresh, 2005) and they get handsome amount as endorsement fees. Venus Williams (Tennis Player & Wimbledon Champion) signed a 5-year, \$40 million contract with Reebok International Inc. Michael Jordan endorsed in Nike advertisement, a \$10.8b company. The advertisement became so famous that Nike launched a new brand variant called 'Air Jordan' line of sports shoes. Tiger Woods has endorsed for brands like American Express, Rolex, and Nike (Venture Republic, 2008).

In India, celebrity endorsement's pioneering phase was between 1950 and 1980 which was characterized by limited channels of communication and heavy government regulations. The growth phase of celebrity endorsement (1980-90) featured only a few celebrities promoting few products, like Kapil Dev (Thums Up, Palmolive), and Sunil Gavaskar (Dinesh Suitings) (Tandon & Mehrotra, 2005) but now it has become one of the most important communication tool for all the companies. Endorsing celebrities in advertisements has increased because now, celebrities are also differentiated according to their expertise in their fields. For example, sportspersons like Sachin Tendulkar, Sania Mirza are used for endorsing products like energy drinks, sports attire and equipments. Bollywood actors and actresses like Sharukh Khan, Amitabh Bachchan, Rani Mukerjee etc. endorse for various line of brands like Apparels and Accessories, Food and beverages, Automobiles etc. Fashion models cum actresses like Sushmita Sen, Priyanka Chopra, Katrina Kaif and others endorse various cosmetic and feminine products. Some celebrities endorse multiple brands (Shahrukh Khan, Amitabh Bachchan etc.) while some brands are endorsed by multiple celebrities (Airtel, Coca-Cola etc.). This creates confusion in the minds of consumers when it comes to recalling the brand or the celebrity.

## LITERATURE REVIEW

A celebrity endorser is someone who enjoys public recognition and who uses that recognition on behalf of a consumer good by appearing with it in an advertisement (McCracken, 1989). Many studies have been undertaken in different parts of the world to understand the effectiveness of celebrity endorsement on consumer behavior. Celebrities can make people take notice of what they are endorsing and create an immediate identity or persona for a product (Cooper, 1984). According to Spielman (1981), celebrities increase the probability of getting attention, humanize the company, add glamour to the product, and make it more desirable, credible and trusted. Celebrity endorsement can have an impact on consumers' attitudes toward the brand and the advert (Atkin & Block, 1983; Frieden, 1984; Kamins, Brand, Hoeke & Moe, 1998), and their intent to purchase the product (Ohanian, 1991; Walker, Langmeyer & Langmeyer, 1992). This is why advertisers across the globe use celebrities to promote their products. Around 20% of all commercials use some sort of celebrity endorsement and 10% of all advertising dollars goes to celebrity endorsements (Bradley, 1996).

The three variables that have been identified as important for successful celebrity endorsements are 1) physical attractiveness of the celebrity, 2) source credibility (trustworthiness and expertise) of the celebrity, and 3) celebrity/brand congruency. These variables make the advertisement believable, leading the consumer to form an associative link, and purchase the product (Till, 1998). With a large number of products available in the market, consumers often make purchase decisions relying more on the advertised image of the brand, than its physical aspect (Graeff, 1996) and hence lead marketers to

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generate interest and differentiate their brand from others, tie the brand's image to a celebrity (Buck, 1993). Through the endorsement process an associative link is built between the celebrity and the brand; this is how celebrities add meaning, or 'equity' to the product they are endorsing (Till, 1998). There is great potential for using celebrity endorsers to enhance brand equity (Walker, Langmeyer & Langmeyer, 1992). Compared to other endorsers, famous personalities have higher attention and recall. They increase awareness of the firm's advertising and create a positive feeling towards the brand (Schlecht, 2003).

To capitalize on the effectiveness of celebrity endorsements, Nike spent \$1.44 billion on celebrity endorsers, Michael Jordan and Tiger Woods in 2003. In 2004, Gillette signed an endorsement deal with soccer celebrity David Beckham worth between \$30 and \$50 million. Although celebrities gather attention and penetrate commercial clutter, the high cost of endorsements suggests that marketers expect to get far more value from the endorsement than a simple advertising means to attract consumers. Many of the celebrity endorser studies have considered the effect that a celebrity can have on consumers' attitudes toward the brand and have indicated that celebrity endorsements are more effective when there is an associative link between the celebrity and the endorsed brand, thereby suggesting that while selecting a celebrity endorser, the 'fit', 'congruence', and 'belongingness' of the celebrity and the brand should be considered (Till, 1998). The Columbia Business School has used 'The Match-up Hypothesis' model to demonstrate the celebrity fit with the endorsed product and found that celebrity endorsement is more effective when image of the celebrity matches well with the endorsed product (Kahle and Homer, 1985 cited in Lee, 2005). In the past, a number of celebrity endorsements proved very successful, whereas others completely failed, resulting in the 'termination' of the respective celebrity communicator. For instance, Michael Jordan for Nike was a great success, but was a failure for WorldCom. Similarly, Whitney Houston for AT&T was a failure. In India also Shahrukh Khan for Santro was a success but was a failure for Lux. Similarly, Amitabh Bachchan for Cadbury's was a success but was a failure for Navratna Oil. Attractiveness cannot lead to success itself. The credibility (trustworthiness and expertise) of the endorser is also important. Overexposure and identification are also causes for failure (Schlecht, 2003).

## OBJECTIVES OF THE STUDY

The objectives of the present study are:

1. To determine the most preferred celebrity which people like to see more often in an advertisement endorsing a product.
2. To determine the effectiveness of celebrity endorsement in brand recall.
3. To determine brand recall associated with different celebrities.
4. To understand the influence of celebrity endorsement in purchase decision.
5. To determine the brand celebrity fit/ congruence of selected endorsements.

## METHODOLOGY

The study is descriptive in nature and employs primary data collected by communicating with the respondents through a structured questionnaire. Sample size chosen for the survey was 150 but only 135 respondents filled the questionnaire completely. 10% of the questionnaire had one or many missing responses and so were discarded and not considered for analysis. The final sample size was 135. Non-probabilistic convenient sampling was used to select the sample. The research was conducted in Indore city of central India during January – March 2008.

Self-designed and self-administered questionnaire was used as the data collection tool. The questionnaire included combination of close and open ended questions. In the first question, respondents were asked to fill the name of a celebrity that they prefer to see in advertisements. This was an open ended question. The second question had photographs of various celebrity endorsed advertisements. This was again an open ended question and respondents were asked to recall the brand and write it. Similarly, the third question had photographs of various brands and the respondents were asked to recall the celebrity. The next question was targeted at understanding the effectiveness of celebrity endorsement in influencing the buying decision. The respondents were asked whether people buy the product after seeing a celebrity endorsed advertisement. The responses were collected on a five point scale. The last question aimed at understanding the celebrity - brand fit. The respondents were shown three advertisements (Shahrukh Khan in Lux soap; Amitabh Bachchan in Navratna oil; Malika Sherawat in 7-up) and were asked whether the choice of celebrity was appropriate for the product. Again, the responses were collected on a 5-point Likert scale (5- Strongly Disagree; 1- Strongly Agree). Through the last part of the questionnaire, demographic details of the respondents like gender, age, and occupation were collected.

All the respondents were residents of Indore city in Madhya Pradesh and were aged 21 and above. The respondents included 69 males and 66 females. 33.3% of the total respondents were students and the rest were businessmen, homemakers or service people. Table 1 gives the demographic details of the sample.

**Table 1: Demographic details of the Respondents**

Demographic Factor	Number of respondents	%
<b>Gender</b>		
Male	69	51.1
Female	66	48.9
<b>Total</b>	<b>135</b>	<b>100.0</b>
<b>Age (in years)</b>		
21-24 years	55	40.7
25-30 years	44	32.6
30-40 years	23	17.0
40 years +	13	9.6
<b>Total</b>	<b>135</b>	<b>100.0</b>
<b>Occupation</b>		
Student	45	33.3
Businessman	40	29.6
Homemaker	29	21.5
Job/Service	21	15.6
<b>Total</b>	<b>135</b>	<b>100.0</b>

## ANALYSIS OF DATA AND RESULTS

### ***MOST PREFERRED CELEBRITY***

To find out the most preferred celebrity endorser, respondents were asked to write the name of celebrity they will like to see in advertisements. The results shown in Table 2 reveal that Shahrukh Khan is the most preferred celebrity with 12.6% of the respondents indicating that they would like to see him more often in advertisements. Amitabh Bachchan (10.4%) and Hritik Roshan (7.4%) occupy second and third position respectively in the list of most preferred celebrity endorser.

**Table 2: Celebrity that People will like to see in Advertisements**

	Frequency	Percent	Valid Percent	Cumulative Percent
Aamir Khan	8	5.9	5.9	5.9
Aftab Shivdasani	1	.7	.7	6.7
Aishwarya Rai	4	3.0	3.0	9.6
Ajay Devgan	1	.7	.7	10.4
Akshay Kumar	3	2.2	2.2	12.6
<b>Amitabh Bachchan</b>	<b>14</b>	<b>10.4</b>	<b>10.4</b>	<b>23.0</b>
Anil Kumble	1	.7	.7	23.7
Arjun Rampal	2	1.5	1.5	25.2
Atif Aslam	4	3.0	3.0	28.1
Ayesha Takia	7	5.2	5.2	33.3
Bobby Deol	1	.7	.7	34.1
Deepika Padukone	1	.7	.7	34.8
Devanand	1	.7	.7	35.6
Dilip Kumar	1	.7	.7	36.3
Diya Mirza	1	.7	.7	37.0
Esha Deol	1	.7	.7	37.8
Harbhajan Singh	1	.7	.7	38.5
Hema Malini	1	.7	.7	39.3
<b>Hrithik Roshan</b>	<b>10</b>	<b>7.4</b>	<b>7.4</b>	<b>46.7</b>
John Abraham	5	3.7	3.7	50.4
Juhi Chawla	1	.7	.7	51.1
Kareena Kapoor	6	4.4	4.4	55.6
Karishma Kapoor	1	.7	.7	56.3
Katrina Kaif	6	4.4	4.4	60.7

	Frequency	Percent	Valid Percent	Cumulative Percent
Lara Dutta	1	.7	.7	61.5
Madhuri Dixit	1	.7	.7	62.2
Mahendra Singh Dhoni	1	.7	.7	63.0
Malika Sherawat	1	.7	.7	63.7
Neha Dhupia	1	.7	.7	64.4
Priyanka Chopra	6	4.4	4.4	68.9
Rahul Dravid	3	2.2	2.2	71.1
Raj Kapoor	1	.7	.7	71.9
Raj Kumar	1	.7	.7	72.6
Randhir Kapoor	1	.7	.7	73.3
Rani Mukherjee	3	2.2	2.2	75.6
Sachin Tendulkar	3	2.2	2.2	77.8
Saif Ali Khan	1	.7	.7	78.5
Salman Khan	3	2.2	2.2	80.7
Saurav Ganguly	1	.7	.7	81.5
Shabana Azmi	1	.7	.7	82.2
<b>Shah Rukh Khan</b>	<b>17</b>	<b>12.6</b>	<b>12.6</b>	<b>94.8</b>
Shahid Kapoor	3	2.2	2.2	97.0
Shashi Kapoor	1	.7	.7	97.8
Shilpa Shetty	1	.7	.7	98.5
Sushmita Sen	1	.7	.7	99.3
Vivek Oberoi	1	.7	.7	100.0
<b>Total</b>	<b>135</b>	<b>100.0</b>	<b>100.0</b>	

## CELEBRITY ENDORSEMENT AND BRAND RECALL

Table 3 presents the results of our analysis done to understand the effectiveness of celebrity endorsement in brand recall. It indicates that celebrity endorsement is effective in brand recalling. 60.5% of the respondents were able to correctly recall the brand (Mean 1.61). Of all the celebrity endorsements studied, Aamir Khan – Titan had the highest recall with 82.2% of the participants correctly recalling Titan when shown its advertisement featuring Aamir Khan (Mean 1.29). Shahrukh Khan – Pepsi (Right recall – 80%; Mean – 1.36) and Amitabh Bachchan – Cadbury’s (Right recall – 75.6%; Mean – 1.37) were ranked second and third respectively in terms of brand recall. Priyanka Chopra – Hero Honda Pleasure had the lowest recall (Right Recall – 18.5%; Mean – 2.40).

**Table 3: Celebrity – Brand Recall**

	Right Recall (1)	Cannot Recall (2)	Wrong Recall (3)	Total	Mean	Std. Deviation
<b>Recalling Pepsi In Shah Rukh Khan Ad</b>	108 (80.0%)	6 (4.4%)	21 (15.6%)	135 (100%)	1.36	.738
<b>Recalling Cadbury In Amitabh Bachchan Ad</b>	102 (75.6%)	16 (11.9%)	17 (12.6%)	135 (100%)	1.37	.699
<b>Recalling John Players In Hrithik Roshan Ad</b>	51 (37.8%)	43 (31.9%)	41 (30.4%)	135 (100%)	1.93	.825
<b>Recalling Titan In Aamir Khan Ad</b>	111 (82.2%)	9 (6.7%)	15 (11.1%)	135 (100%)	1.29	.656
<b>Recalling Castrol In Rahul Dravid Ad</b>	98 (72.6%)	29 (21.5%)	8 (5.9%)	135 (100%)	1.33	.586
<b>Recalling Sunfeast In Sachin Tendulkar Ad</b>	77 (57.0%)	37 (27.4%)	21 (15.6%)	135 (100%)	1.59	.747
<b>Recalling Hero Honda Pleasure In Priyanka Chopra Ad</b>	25 (18.5%)	31 (23.0%)	79 (58.5%)	135 (100%)	2.40	.784
<b>Overall</b>	572 (60.5%)	171 (18.1%)	202 (21.4%)	945 (100%)	1.61	.686

## CELEBRITY RECALL

The effectiveness of celebrity endorsement in brand recall was studied through another question. This time, the situation was reversed. Respondents were shown the brand and they were asked to recall the name of the celebrity who endorses it. The results tabulated in table 4 show that most of the people were able to recall the celebrity when they were shown the brand. Juhi Chawla – Kurkure had the highest recall (Right recall 84.4%; Mean – 1.19) followed by Aamir Khan – Coca Cola (Right recall – 84.4%; Mean – 1.20) and Saif Ali Khan – Lays (Right recall – 83%; Mean – 1.22). Malika Sherawat – 7 Up had the lowest recall (Right recall – 66.7%; Mean – 1.47).

**Table 4: Brand – Celebrity Recall**

	<b>Right Recall (1)</b>	<b>Cannot Recall (2)</b>	<b>Wrong Recall (3)</b>	<b>Total</b>	<b>Mean</b>	<b>Std. Deviation</b>
<b>Recalling Sachin Tendulkar In Boost Beverage Ad</b>	106 (78.5%)	15 (11.1%)	14 (10.4%)	135 (100%)	1.32	.654
<b>Recalling Saif Ali Khan In Lays Chips Ad</b>	112 (83.0%)	16 (11.9%)	7 (5.2%)	135 (100%)	1.22	.528
<b>Recalling Rani Mukherjee In Munch Chocolate Ad</b>	107 (79.3%)	14 (10.4%)	14 (10.4%)	135 (100%)	1.31	.652
<b>Recalling Juhi Chawla In Kurkure Snack Ad</b>	114 (84.4%)	16 (11.9%)	5 (3.7%)	135 (100%)	1.19	.481
<b>Recalling Malika Sherawat In Seven Up Drink Ad</b>	90 (66.7%)	27 (20.0%)	18 (13.3%)	135 (100%)	1.47	.721
<b>Recalling Aamir Khan In Coca-Cola Drink Ad</b>	114 (84.4%)	15 (11.1%)	6 (4.4%)	135 (100%)	1.20	.501

## CELEBRITY ENDORSEMENT AND PURCHASE DECISION

Do people purchase the product/ brand after watching a celebrity endorsed advertisement? The results of our analysis to understand the relationship between celebrity endorsement and purchase decision are summarized in Table 5. It indicates that celebrity endorsement is not a very effective tool to motivate people to buy the product (Mean 2.76). Only 5.2% of the participating respondents reported that they always buy the product after watching an advertisement featuring a celebrity. 32.6% of the respondents indicated they sometimes buy the product after being exposed to a celebrity endorsement.

**Table 5: Celebrity Endorsement and Purchase Decision**

<b>How Often People Purchase A Product After Seeing Celebrity Endorsed Ad</b>	<b>Frequency</b>	<b>Percent</b>	<b>Mean</b>	<b>Std. Deviation</b>
Never (1)	19	14.1		
Very Less (2)	37	27.4		
Sometimes (3)	44	32.6		
Very Often (4)	28	20.7		
Always (5)	7	5.2		
Total	135	100.0	2.76	1.096

## CELEBRITY - BRAND FIT

To understand the congruence between the brand personality and personality of the celebrity, we selected 3 advertisements featuring celebrities like Shahrukh Khan, Amitabh Bachchan and Malika Sherawat and which are often reported in the media that their personality do not match with the personality of brand they had endorsed – Lux Soap, Navratna Oil and 7 Up respectively. Our analysis (Table 6) suggests that people also believe the same. 31.1%, 23% and 31.1% of the respondents strongly agree that the celebrity choice was inappropriate for the brands Lux, Navratna Oil and 7- Up.

Table 6: Celebrity - Brand Fit

	Strongly Disagree (1)	Disagree (2)	Cant Say (3)	Agree (4)	Strongly Agree (5)	Total	Mean	Std. Deviation
Is Shah Rukh Khan Appropriate For Lux Soap Ad?	42 (31.1%)	21 (15.6%)	32 (23.7%)	31 (23.0%)	9 (6.7%)	135 (100%)	2.59	1.318
Is Amitabh Bachchan Appropriate For Navratna Oil Ad?	31 (23.0%)	29 (21.5%)	35 (25.9%)	30 (22.2%)	10 (7.4%)	135 (100%)	2.70	1.253
Is Malika Sherawat Appropriate For 7 Up Ad?	42 (31.1%)	16 (11.9%)	26 (19.3%)	27 (20.0%)	24 (17.8%)	135 (100%)	2.81	1.502

## CONCLUSIONS

The study provides important insights into effectiveness of celebrity endorsements in brand recall and purchase decision of the Indian consumers. The study indicates that people like to see celebrities like Shahrukh Khan, Amitabh Bachchan, Hritik Roshan and Aamir Khan endorsing various products and want to see them more often in advertisements promoting products / brand. Celebrity endorsement is an effective tool and positively affects brand recall. Of all the celebrity endorsements taken up in the study, Aamir Khan's endorsement of Titan had the highest recall. Shahrukh Khan- Pepsi, Amitabh Bachchan-Cadbury's, Juhi Chawla- Kurkure and Saif Ali Khan- Lays also had very high recall. This may be due to the fact that these brands have been using the celebrities since a long time and have not switched to other celebrity which helped people to recall them easily. The study, however, suggests that celebrity endorsements are not effective in influencing consumer's purchase decision. Very few people feel motivated to buy the product after watching an advertisement featuring a celebrity. There is also a need to understand that efficacy of celebrity endorsements can be increased if the personality of the celebrity matches with personality of the brand. If the choice of celebrity is inappropriate, the celebrity endorsement fails to produce the desired results. The study indicates that consumers feel that choice of Shahrukh Khan for Lux, Amitabh Bachchan for Navratna Oil and Malika Sherawat for 7 Up were inappropriate. Probably the consumers believe that these celebrities will not be using the products themselves. This lack of credibility may be one of the reasons that these endorsements were not very successful.

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