

## Impact of celebrity endorsement on consumer buying behavior towards electronics products in Pune City

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### 1.1 Impact of celebrity endorsement on consumer buying behavior towards electronics products in Pune City.

#### 1.2 Abstract:

*Nowadays, every marketer uses different media for advertising their products and services. This results in consumers being exposed to many advertisements in different media. In the current era, it is a big challenge for advertising designers to create unique and catchy advertising which attracts consumers' attention. Marketers endorse celebrities to influence the buying decision of consumers to increase demand for the product and extend their market shares.*

*For attracting consumer's attention, increase advertising effectiveness, and recall the value of advertising advertising marketers endorse celebrities in advertising. This research study focuses on celebrity endorsement and its influence on the customer's buying behavior while purchasing electronic products. The data collected will be qualitative. The research methodology for data collection is both primary and secondary. By using a convenience sampling method, 250 respondents are selected as a sample and the data is collected by using a questionnaire. The result was analyzed through statistical tools. Several statistical tools were applied to test the hypotheses and identify significant differences & the proposed relationships among the variables It is concluded that celebrity-endorsed advertisements are more attractive and effective than non-endorsed advertisements.*

**1.3 Keywords: Celebrity endorsement, Consumer buying behavior, Buying Decision, Consumer perception towards a product, Electronics products**

#### 2.1 Introduction:

Celebrity endorsement is very commonly used in the twenty-first century. According to Knoll and Matthes (2017), in every five advertisements, there is one celebrity advertisement. Carlson et al. (2020) suggested to advertising agencies consume 10% of advertising costs on endorsing celebrities. A celebrity is a personality who got a name and fame because of success in his/her field. The marketer endorses celebrities to gain the benefit of the celebrity's public appreciation and recognition. According to (Davies and Slater, 2015) celebrity endorsement advertising helps to attract consumers, more attention, effectiveness, and recall value. Celebrity endorsement is a marketing strategy that uses a celebrity's fame and image to promote a brand or product also known as celebrity branding or celebrity advertising.

#### Theoretical Framework:

##### Who is a Celebrity?

A celebrity is a person who is famous and well-known publicly, especially in areas of entertainment such as films, and music. Sports etc. According to Friedman & Friedman (1979), the term celebrity refers to an individual (actor, sports figure, entertainer, etc.) who is known to the public for his or her achievements in areas other than that of the product class endorsed.

##### What is meant by Celebrity Endorsement:

- Celebrity endorsement means celebrity branding or celebrity advertising. Marketer uses this strategy to increase the brand image of the product by using a celebrity's name & fame. Celebrity advertisement is advertising in which famous personalities or celebrities who have a high degree of recognition, & respect in the public are target customers of the product. Celebrity advertising is more effective than non-celebrity advertising because as compared to noncelebrity advertising celebrities advertise are noticed and reminded by people.

### **What is mean by Buying Behavior:**

Consumer buying behavior is, how consumers take action while purchasing any goods and services. Consumer buying behavior is nothing but a consumer buying behavior decision. The study of consumer buying is important to understand consumer actions and reactions of a consumer while purchasing goods and services. It helps marketers to understand consumers' attitudes and perceptions while purchasing products and services.

### **Factors Affecting Consumer Buying Behavior:**

The consumer buying behavior process is affected by different factors. While purchasing any products Consumer behavior depends on Psychological Factors like Motivation Perception, Social Factors like Family reference groups, Cultural factors, Personal factors, etc. If marketers studied all these factors, then its help to understand consumer preferences which help increase demand for products.

## **3 Research Body**

### **3.1 Problem statement**

- How do consumers behave while purchasing celebrity advertising products?
- Does celebrity endorsement advertising influence on purchase decision of consumers while purchasing electronic products?

### **Significance of Study:**

This study is significant for marketers to understand the effectiveness of celebrity advertising on consumer buying behavior. This study also helps to understand the association between celebrity advertising and consumer buying decision.

### **Objectives of the study:**

1. To study the effectiveness of celebrities, and endorse advertisements.
2. To analyze the role of celebrity-endorsed advertisements in buying decision process.
3. To understand the perception of celebrity-endorsed advertisements among customers while purchasing electronics products.
4. To determine the association between celebrity endorsement advertising and buying decisions of products.

### **Research Justification**

Many researchers have already conducted research on celebrity endorsement advertising. Researchers in the past studied celebrity advertising, its impact on consumer buying behavior, the positive and negative impact of celebrity advertising in many countries. The main purpose of this study is to understand the impact of celebrity endorsement advertising, especially for electronic products in Pune City.

### **Personal Justification:**

In a country like India people follows celebrities. In a city like Pune people, especially the young age group is very influenced by celebrity advertising. Consumers feel confident and prestigious when they celebrate-endorses products.

### **Scope of the study:**

- This study is majorly influenced to understanding the marketing strategies while using celebrities.
- Identify key attributes of celebrities while selecting for advertising.
- Understand the important factors which are influenced consumer buying behavior.

- Identify the consumer perception towards celebrity advertising and consumer behavior while purchasing celebrity-endorsed products.

#### **Limitations of the study:**

- As the research is conducted in Pune City, so the research is restricted to Pune City only.
- As the research time for a research paper is less the sample size is less.

This research is limited to few products in the electronic products category.

#### **Literature Review:**

A literature review for this research paper was conducted by collecting and reading different literature. Variables to study were identified and accordingly, literature was collected from different sources like books, articles, and research papers.

According to Belch, George E (1995) advertising is any paid form of non-personal communication related to the company, its product/services, or its idea by an identified sponsor. Friedman & Friedman, (1979) states that the term celebrity refers to a person who is well known and famous in public because of their success in their respective field like actor, sports persons, etc. Black Jay et al (1995) state that the term celebrity refers to a person who is familiar to the public. If these celebrities are used in advertising, then it helps to attract consumers' attention and recall advertisements easily. Rizwan Raheem Ahmed (2022) reviewed that if celebrities are endorsed in advertising, then it helps to boost sales and consumers purchase this product more as compared to non-celebrity advertising.

Calvo-Porrall C, and Rivaroli S, (2021) state that consumers are more influenced by celebrity advertising while purchasing food products. If celebrities endorse in advertising and they recommend the products, then consumers prefer to purchase those food products. According to Halimin Herjanto (2020), celebrity endorsement is playing an important role in building a brand and raising the purchase intention of consumers.

There is a high influence of celebrity endorsements on consumers because of television commercials in India, as the young group like celebrities a lot and there is a number of people following celebrities. It is observed that compare messages for two different firms' products, one product's message contains a celebrity-endorsed and the other not believing the celebrity-endorsed product will have more purchases and so be of higher value (Lalitha & C. Kumar, 2010).

Lalitha & C. Kumar, (2010) reviewed that in India people are followed by celebrities. Television commercial advertising is more influenced by consumers. According to this study, consumers are more believe in celebrity advertising rather than non-celebrity advertising.

#### **The hypothesis of the proposed hypothesis:**

- Ho: There is a negative perception of celebrity endorsement advertising among customers.
- H1: There is a positive perception of celebrity endorsement advertising among customers.
- Ho: There is no association between celebrity-endorsed advertisements and buying decisions of a product.
- H2: There is an association between celebrity-endorsed advertisements and buying decisions of a product.

#### **Research Methodology:**

**Area:** The area for this research is Pune City in Maharashtra.

**Sampling Method:** The convenience sampling method is used for data collection.

**Sample Size:** The research paper was some limitations like time duration and geographical area. So, a total of 200 questionnaires were sent to selected samples but only 172 respondents gave proper response.

**Data Collection:** The primary data is collected by using a structured questionnaire. The secondary data is collected using different resources like journals, magazines, research papers, and articles.

**Analytical Techniques:** Chi-square and t-tests are used as analytical tools for hypothesis testing.

**4. Data Analysis & Hypothesis Testing**

**Data Analysis**

**Demographic information**

**Response Rate Source:**

Total Respondent	Frequency	Percentage (%)	Valid Percentage	Cumulative Percentage
Respondent	172	86%	86%	86%
Non respondent	28	14%	14%	14%
Total	200	100%	100%	

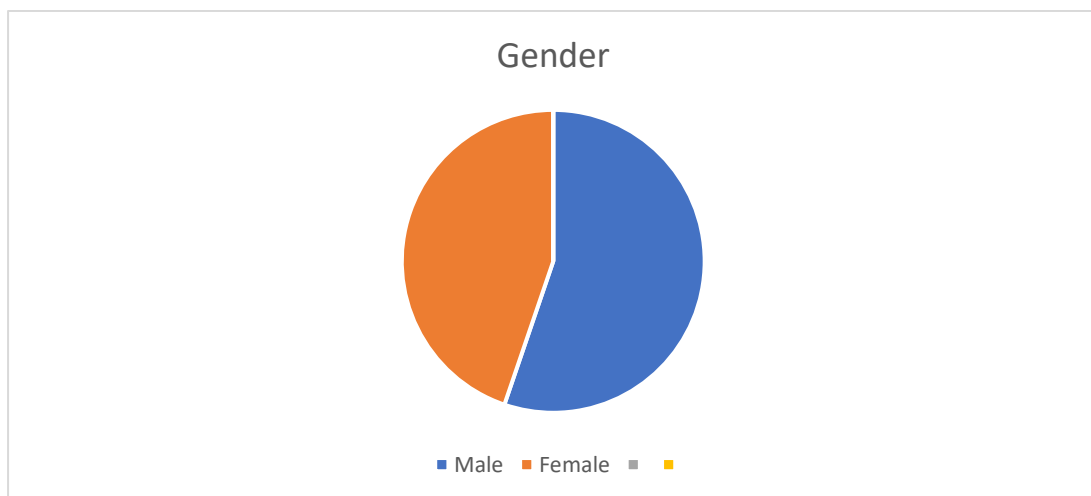
**Table:4.1**

The above table denotes that 172 (86%) respondents accurately filled out questionnaires and 28 (14%) respondents didn't accurately fill out the questionnaire.

**Demographic Characteristics of Respondent: Gender**

Characteristics	Category	Frequency	Percentage (%)	Valid Percentage	Cumulative Percentage
Gender	Male	95	55.24%	55.24%	55.44%
	Female	77	44.76%	44.76%	100%
		172	100 %		

**Table:4.2**



The above table represent the gender of the respondents. Total number of respondents is 172 out of which 95 i.e.44% of respondents are male and 77 i.e.,44.76% of respondents are female. This indicates that males are consumed more electronic products than females

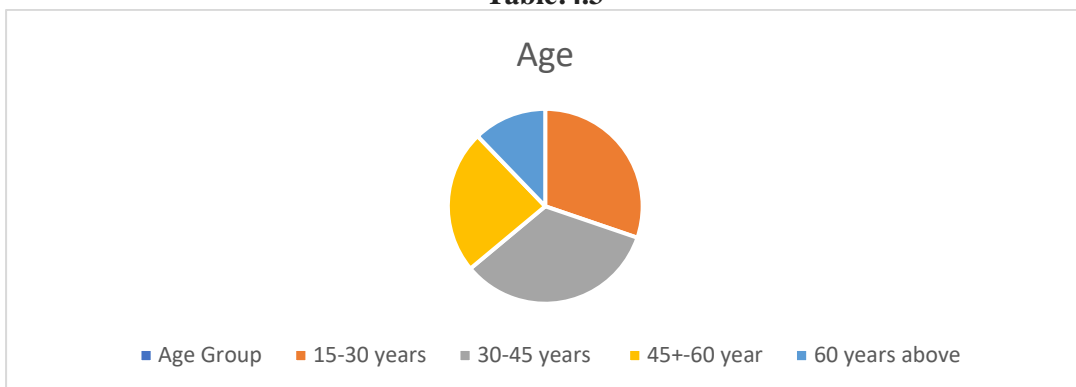
Characteristics	Category	Frequency	Percentage (%)	Valid Percentage	Cumulative Percentage
Age	15-30 years	52	30.24%	30.24%	30.23%
	30-45 years	58	33.73%	33.73%	63.97%
	45+-60 year	41	23.84%	23.84%	87.81%
	60 years	21	12.20%	12.20%	100.00%

	above			
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**Demographic Characteristics of Respondent: Age:**

Characteristics	Category	Frequency	Percentage (%)	Valid Percentage	Cumulative Percentage
Education	Students	27	15.69%	15.69%	15.69%
	HSC	32	18.61%	18.61%	34.30%
	Graduates	48	27.91%	27.91%	62.21%
	Post Graduates	65	37.79%	37.79%	100.00%

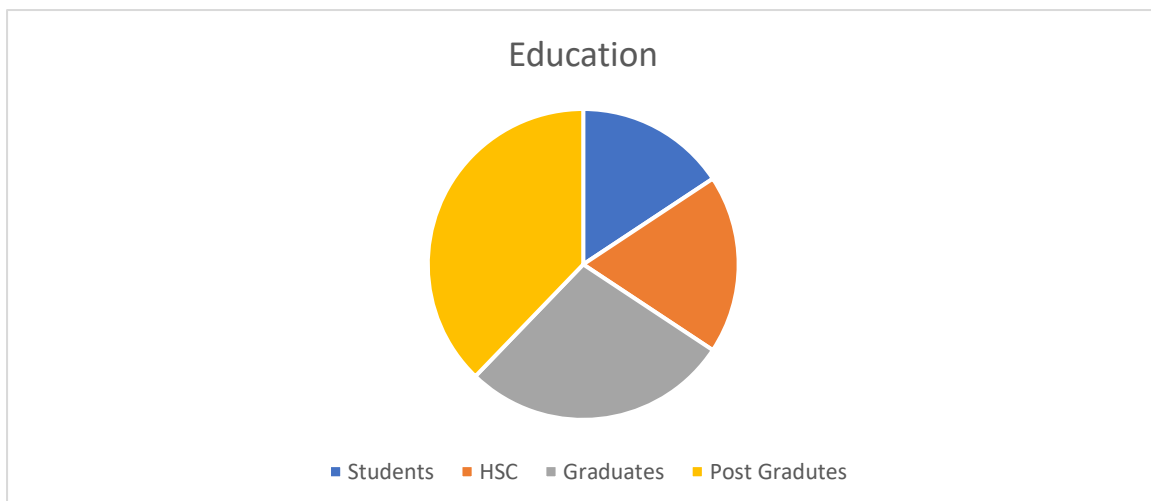
**Table:4.3**



The above chart indicates the age group of the respondents. This chart denotes that 52 (30.24%) respondents are between 15-30 years, 58 (33.73%) respondents are between 30-45 years, 41 (23.84%) respondents are between 45-60 years, & 21 (12.20%) respondents are between above 60 years. This chart indicates that the age group 30 years is more dominant for purchasing electronics products.

**Demographic Characteristics of Respondent: Education**

**Table:4.4**

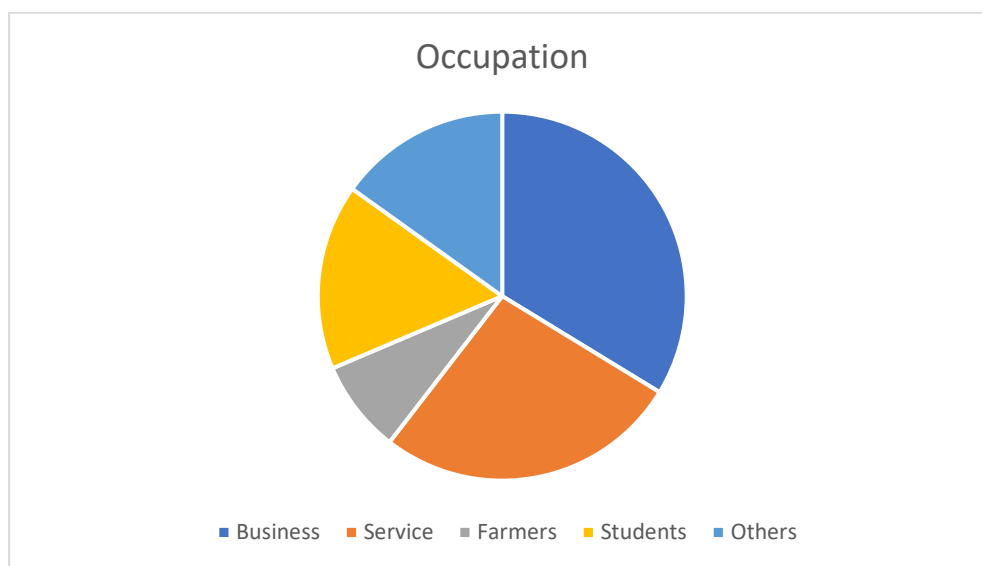


The above table indicates the education qualification of the respondents. Out of total 172 respondents 27 i.e.,15.69% respondents were students, 32 i.e.,18.61% respondents were HSC, 48 i.e.,27.91% respondents were graduates, and 65 i.e.37.79% respondents were students. This start indicates that post graduates' people are more dominant for purchasing electronics products.

Demographic Characteristics of Respondent: Occupation

Characteristics	Category	Frequency	Percentage (%)	Valid Percentage	Cumulative Percentage
Occupation	Business	58	33.72%	33.72%	33.72%
	Service	46	26.75%	26.75%	60.47%
	Farmers	14	8.13%	8.13%	68.60%
	Students	28	16.28%	16.28%	84.88%
	Others	26	15.12%	15.12%	100.00%

Table:4.5



The above chart indicates the occupation of the respondents. This chart denotes that 58 (33.72%) respondents are businessmen, 46 (26.75%) respondents are servicemen, 14 (8.13%) respondents are Farmers, & 28% (16.28%) respondents are students & 26 (15.12) are others. This chart indicates that people in the business and service category are more dominant than other categories for purchasing electronics products.

**Hypothesis Testing**

- Ho: There is a negative perception of celebrity endorsement advertising among customers.
- H1: There is a positive perception of celebrity endorsement advertising among customers.

				Test Value = 0		
		One-Sample Statistics				
Perception of celebrity endorse advertisement in buying the product is/are	N	Mean	Standard Deviation	t	Df	Sig. (2-tailed)

Celebrity endorses advertisement helps to remember the product	172	4.06	0.903	47.86	171	0.000
Celebrity endorses advertisement create impactful awareness of product/service.	172	3.85	1.034	39.64	171	0.000
Celebrity endorses advertisement convinces successfully to buy the products.	172	3.82	1.043	38.96	171	0.000
Celebrity endorses advertisements are more trustworthy.	172	3.57	1.076	35.269	171	0.000
Using celebrity endorsed product makes me feel more glamorous and I feel more confident about myself	172	3.67	1.133	34.47	171	0.000
Familiarity of the celebrity influence my purchase decision	172	3.54	1.146	32.84	171	0.000
Celebrity advertised products are advised by experts.	172	3.55	1.105	34.281	171	0.000

Table:4.6

**Interpretation:**

perception of consumers regarding celebrity endorsement advertising is analyzed through hypothesis testing. Total & sub-statements are used for data collection. Five Likert-scale is used for hypothesis testing. 1 as strongly disagree & 5 as strongly agree. The mean value of all seven statements is greater than 3.5. It shows there is a positive relationship between celebrity advertising & consumer perception. The standard deviation for all statements is less than 2 which it shows greater closeness and less deviation between mean value and responses. A further t-test is performed to bring more confidence to the result. From the p-values for all seven sub-questions, it has been observed that it is less than 0.05. Hence result reject the null hypothesis & alternative hypothesis is accepted.

- Ho: There is no association between celebrity-endorsed advertisements and buying decisions of a product.
- H2: There is an association between celebrity-endorsed advertisements and buying decisions of a product.

	<b>Value</b>	<b>df</b>	<b>Asymp. Sig. (2-sided)</b>
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1	To purchase this product? *Buying Decision	Pearson Chi-Square	19.087 a	12	0.036
2	To try this product if seen in a store? * Buying Decision	Pearson Chi-Square	19.310 a	12	0.041
3	To actively seek out this product in a store? * Buying Decision	Pearson Chi-Square	21.216 a	12	0.047

**Table:4.7**

**Interpretation:**

The chi-square test is used to understand the association between favorite celebrity endorsements and buying decisions. The confidence level is 95% & significance level is 0.05 %. The result shows that the p-value for all three statements is 0.036, 0.041 & 0.047 respectively. Hence it is concluded that p-values do not support the null hypothesis. Therefore, the alternative hypothesis is accepted. It shows that advertisement done by favorite celebrity influences to buy the product.

**5. Conclusion & Recommendations:**

**Conclusion:**

1. Celebrity endorsement advertising positively impacts on consumer buying behavior while purchasing electronics products.
2. Consumer perception is positive towards celebrity advertising while Buying electronics products buying decision.
3. Celebrity advertising is effective & it also helps to recall products.
4. Celebrity endorsement advertising is an important tool of marketing to increase the sale & profit of the organization.

**Recommendations:**

1. Effectiveness of celebrity endorsement depends upon the selection of the celebrity so it is very important to choose the right celebrity for the right product.
2. Marketers must choose celebrities fit for products for increasing the effectiveness of advertising.

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