

A STUDY ON THE IMPACT OF CELEBRITY ENDORSEMENT ON ADVERTISEMENT AND CREDIBILITY PERCEPTION OF CONSUMER TOWARDS VARIOUS MEDIA

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ABSTRACT

Credibility and perception of consumer towards various media influences decision-making process of selection of a Retail outlet. Retailer organization using various means of communication for advertisement and sales promotions that can attract more customers to enhance sales and make lifetime relationship with consumers. The aim of this study to investigate the attitude, behaviour, perception regarding various means of communication in making selection decision of a particular retail outlet. It attempts to understand the buyer decision-making process, both individually and in groups. It studies characteristics of individual consumers such as demographics, psychographics, and behavioural variables in an attempt to understand people's wants. This paper offers an insight into communication process of retail organization, how consumer perceives and believes on all these effort of retailers, and how successful a retailer could raise interest of consumer.

KEYWORDS: Celebrity Endorsement, Credibility, Consumer Perceptions, Various Media

INTRODUCTION

Advertising is a form of communication whose purpose is to inform potential customers about products and services and how to obtain and use them. In addition, many advertisements are designed to generate increased consumption of those products and services through the creation and reinforcement of brand image and brand loyalty. For these purposes, advertisements often contain both factual information and persuasive messages. Every major medium is used to deliver these messages, including: television, radio, movies, magazines, newspapers, the Internet and billboards.

Kotler, P, Keller, K, (2007). Advertisements can also be seen on the seats of grocery carts, on the walls of retail store, on the sides of buses, and in-store public systems. Advertisements are usually placed anywhere an audience can easily and/or frequently access visuals and/or audio and print. Primarily advertising concentrates more on the benefits of the product, with the objective of creating a market for the product, secondary advertising has a focus on the brand. In case of a pioneering brand bringing in a new concept, primary advertising has to be supplemented simultaneously with secondary advertising to ensure the pioneering brand gets the competitive advantage of having marketed the concept. Titan may not have been a pioneering brand in quartz watches but it is currently a leading brand because of the brand-building efforts undertaken by the brand though it was a 'follower' brand "Advertising" and "Promotion" is often used interchangeably, even by professionals, some definitions may be helpful. In ordinary use, "Promotion" is everything that is done to help sell a product or service in every step of the sales chain, from the presentation materials a salesperson uses during a sales call to the television commercial or newspaper advertisement that tries to get the customer to think favorably about what is being advertised. However, "advertising" is responsible for "space" or "print" that is newspaper and

magazine ads, Internet advertising, radio and television commercials, and direct mail and other “direct response” activities, plus catalogs and billboards. “Promotion” is responsible for everything else in this area except public relations and publicity. Agraval, J., & `Kamakura, W. (1995). These last two may be assigned to an independent department or to either advertising or promotion, depending on the make-up of the company or organization. It is a fallacy to think that advertising can create brands and cults. It is also fallacy to think that advertisements can create a fresh desire for instant action on part of buyer. It needs much of fieldwork by sales staff or agents and convincing and follow up. Kazmi, H and Batra, S (2010), A public relations is rising rapidly as PR is more important than advertising to develop and sustain brands over a long period of time. That is what companies have to consider and have to give high priority. Advertisement only can save them in disastrous market conditions. It is often wondered, why strange and literary work is searched and used in advertising when objective is simply to convey product benefit. Well, that is one of biggest riddle and has no answer. You have to be unique, get noticed and put across your idea in a few seconds so emphatically that it is memorable experience. Although another theory says that customers' memory is often weak and needs reinforcement advertising rather quite frequently.

SCOPE OF THE STUDY

Indian retail sector have emerged as a most dynamic and fast pace industries with immense completion. Retail organizations are aggressively adopting innovative marketing strategies to attract their customers. Many Players are trying to recreate the ambience and experience of foreign shopping malls and are providing wide product range, quality and value for money to create a memorable shopping experience. Retail organisations are using various means of communication tools and investing a huge amount for advertising from their profit. Retail outlets are offering different kinds promotional and discount schemes to enhance sales and increase market share. The service offered at these outlets promoted through the print, electronics and outdoor. However, it is still to find out at what extend the Indian consumers are accepting this innovation and what they perceived about it. Thus, the study was conducted at organised retail outlets which were in Chennai region to find out the consumer credibility, perception and behavior towards various media and what influence them in making purchase-decision from a particular outlet.

OBJECTIVES

- To assess the need and importance of advertisements in retailing
- To find what type of promotion offer appeals more to the customers
- How advertisement influences the decision-making behaviour of customers
- To find which means of communication plays a vital role to persuade customers
- To find the factors which influence customers to switch over to other retail outlet
- To find the impact of Celebrity Endorsement in advertisements on customers decision-making

REVIEW OF LITERATURE

Consumer products consist of convenience products, shopping products, specialty products, and unsought products (Kotler and Armstrong, 1990). Convenience products are bought regularly, instantly, without much comparison between the products, and require little buying effort (Kotler and Armstrong, 1990). Convenience products can further be classified as staples, which are products that consumers buy on a regular basis and without much, shopping effort, which

applies to milk (Lamb et al., 2000). An unknown campaign in South Africa was selected to choose celebrities from. The rationale was not to contaminate respondents with preconceived perceptions on the campaign. The use of celebrities in advertising is not a new phenomenon and evidence of early case studies exists (Kamins, 1989). Celebrity endorsement refers to any person who is publicly known and who appears in an advertisement with a product with the purpose of promoting the product (McCracken, 1989). The use of multiple-celebrity endorsers entails making use of more than one celebrity to advertise a single product (Hsu and McDonald, 2002). Making use of celebrities on a regular basis over a period of time generally ensures a return on investment for the amount of money spent on employing the celebrity. This Repetition strengthens the connection between the associations of the product with that of the celebrity (Till, 1998). The marketing manager must take great care in choosing the appropriate celebrity to endorse a specific product. Attitudes towards a celebrity endorser refer to the positive or negative feelings towards the particular celebrity used to endorse a product (Du Plissés and Rousseau, 2003). In this study the relationship between the consumers' attitudes towards the advertised product will be explored. Attitudes towards a product refer to the positive or negative feelings towards the particular product being advertised (American Marketing Association, 2005). Attitudes towards an advertisement refer to the positive or negative feelings towards the particular advertisement (American Marketing Association, 2005). Whether the transfer of meaning also affects the attitudes of consumers towards the advertisement, the correlation between the attitudes towards the celebrity endorser, as well as the attitudes towards the product will be tested in this study.

Celebrities are generally viewed by consumers as credible sources of information about the product or firm they endorse (Goldsmith *et al.* 2000). The literature exploring celebrity endorsements has generally employed one of two foundational source models: (1) the source-credibility model, and (2) the source-attractiveness model (Erdogan 1999). Source credibility can be defined as 'a communicator's positive characteristics that affect the receiver's acceptance of a message' (Ohanian 1990, p. 41). The source-credibility model analyses the factors leading to the perceived credibility of the communicator (Hovland *et al.* 1953). The model contends that the effectiveness of a message depends upon the perceived level of expertise and trustworthiness associated with an endorser or communicator (Erdogan 1999). When considered jointly, expertise and trustworthiness are presumed to embody the source credibility construct (Ohanian 1990).

RESEARCH METHODOLOGY

The objective of the research is to know the consumer perception and behaviour towards various media that influence consumer decision-making in retail. Investigating factors that appeal to select and switch over to particular retail outlet. For this research, we make use of exploratory and descriptive study. The research has been done through structured questionnaire keeping in mind the objective of the study and secondary data analysis. A survey was conducted in Chennai city and our questionnaire contains nine questions covering all the important parameters involved. 200 questionnaires were filled by customers of various retail outlets of Chennai. Data was collected from those 200 customers of retail outlets- Big Bazaar, Shoppers Stop, Spencer's Plaza, and Vishal Mega mart. Data was collected between 3 pm to 4 pm every day for one week to have better sample selection and data was collected in the morning and evening time at weekends. Weekend was very important for us because of service holders and professional respondents. In this questionnaire, we have used "Category Scaling" & "Likert Scaling" while designing the questionnaire. In category, scaling there is attitude scales consist of several response categories to provide the respondent with alternate ratings. In likert scaling there is a measure of attitudes designed to allow respondents to indicate how strongly they agree or disagree with carefully constructed statements that range from very positive to very negative towards an attitudinal object.

LIMITATIONS

- Survey was conducted only at Chennai City with a selected retail outlets
- Time taken for this survey was 3 – 4 weeks, the time chosen for survey between 3 pm – 4 pm on weekdays and morning & evening at weekends.
 - The survey result will have different outcomes in different cities and regions

ANALYSIS AND DISCUSSION

Table 1 : Reasons stated for visiting retail outlets

S.No	Opinion	No. of respondents	Percentage (%)
1	Big Bazaar	72	36
2	Spencer's Plaza	51	25.5
3	Shoppers' Stop	50	25
4	Vishal Mega Mart	27	13.5
	Total	200	100

From the survey, we found that Big Bazaar has highest visitors than other retail outlets in Chennai with 36% of the total respondent. Spencer's has 51 visitors in 200 respondents; it has 25.5% of visitors. Results shows hypermarket format is more popular in Chennai than other format. Shoppers' Stop and Vishal Mega Mart was at position of third and fourth with 25% and 13.5% of total respondent respectively. Shoppers' Stop and Vishal Mega Mart have less market share in Chennai because of price and higher segment target market. In promotion source print media and electronic media both have high rich.

Table 2 : Reason for media appeals more for purchasing from the retail outlet

S.No	Opinion	No of respondents	Percentage (%)
1	Print media	45	22.5
2	Electronic media	73	36.5
3	Word of mouth	69	34.5
4	Magazine	13	6.5
	Total	200	100

From the table 2 it is revealed that the Electronic media is more popular than print media 36.5% people know promotion scheme through electronic media. 22.5% respondent access promotional scheme through print media like new paper and leaflet. Word of mouth has its own important and plays a vital role in decision-making, 34.5% people get aware about promotional scheme though word of mouth. Magazines are generally accessible by youth and professionals only 6.5% people get aware about discount and offers by this communication medium. According to the survey 36.5% people

says electronic media appeals to make purchase and 22.5 % respondents says print media appeal to visit retail outlet. At the same time, word of mouth is in second place with 34.5% response which persuades more effectively than other means. It is only medium which have high credibility and without any investment. But this can be only creating by well experience and good services. Magazines only persuade 6.5% people to visit retail outlet. Promotional schemes are beneficial in making shopping easy. Most respondents said that it helps in their shopping ranked 2nd at scale of great extend. Out of 200 respondents 72 believes that it is effective, 53 said that it is most effective and need this type of information before actual purchase. 24% respondent did not give much importance for promotional schemes and rest 14% respondents marked it at 4th and 5th rank, they generally know promotional scheme at moment of truth. 85% respondents said that promotional scheme influence them to visit the retail outlet where as 15% people do not take promotional scheme in consideration to visit the retail outlet. In Chennai, it is general conception that Big Bazaar offers more discount and run more promotional schemes than other retail outlets. Almost half of the respondent said Big Bazaar gives more promotional offers. Vishal Mega Mart at the second place in response which gives promotional offer. 33% people believe that vishal mega mart gives more discounts. Shoppers Stop and Spencer's at the third and forth position with 10% and 9% response respectively. Result shows that 21% people strongly agree that advertising persuade them to visit a particular retail outlet and help in narrow down the alternatives.49% people are agree .It means almost 70% people says that advertising help in selection of retail outlet.27% respondent said that advertisement has neutral influence in selection of retail outlet.9% respondents disagree and 2% are strongly disagree that advertising persuade in selection of retail outlet.

Table 3: An Emotional appeal ads to the effectiveness of communication for selecting an outlet

S.No	Opinion	No of respondents	Percentage (%)
1	Strongly Agree	39	19.5
2	Agree	52	26
3	Neutral	64	32
4	Disagree	37	18.5
5	Strongly Disagree	8	4
	Total	200	100

From the table 3 it is revealed that the emotional appeals in advertisement effectiveness and influence people for selecting a retail outlet. Emotional appeals which near to viewers or related viewers in effective way that this particular product or organisation serve you better and you will be in your comfortable zone. This type of ads are more successful. 19.5% people strongly agree with this statement. 26% respondents agree that this affect their decision. While 32 % respondents having neutral effective, 18.5% respondents are disagree and 4% respondents are strongly disagree. Research shows punch line slogan of company outlet easy to recall. 36% respondents are strongly agree and 42% respondents are agree that it is easy to recall retail outlet or organisation through slogan or punch line. 6% respondents mark it neutral and 13% are disagreeing and only 3% is strongly disagree.

Table 4: Celebrity endorsement on advertisement motivates to purchase

S.No	Opinion	No of respondents	Percentage (%)
1	<i>Strongly Agree</i>	32	16
2	<i>Agree</i>	72	36
3	<i>Neutral</i>	65	32
4	<i>Disagree</i>	23	10
5	<i>Strongly Disagree</i>	8	6
	Total	200	100

A celebrity is a person who is widely recognized in a society. Whereas attributes like attractiveness, extraordinary lifestyle or special skills are just examples and specific common characteristics can not be observed. It can be said that within a corresponding social group, celebrities generally differ from the social norm and enjoy a high degree of public awareness. As per the study 36% of the respondents feel that celebrities cast an impact through advertisements, 16% of the respondents are strongly agree and 36% of the respondents are agree and 32% do not feel any impact of celebrities. Out of 200 respondents, 65 respondents feel that celebrities impact is neutral, 23 dissatisfied with statement that celebrities have an impact in decision making and 8 respondent are strongly dissatisfy. People said that celebrities attract attention towards an ad.

Table 5 : Rank the following factors which influence you to visit the retail outlet other than promotions/offers

S.No	Opinion	No of respondents	Percentage (%)
1	Quality	62	31
2	Price	74	36
3	Store Ambience	37	19
4	Fast Service	27	14
	Total	200	100

From the table it is revealed that the rating assigned by the respondents to the importance of price was 36%. 31% respondents consider quality at selection of retail outlet. 19% give

Importance to the ambience of store in selection procedure of retail outlet and 14% of respondents' select outlets based on fast services. Promotional offer does not influence more to customer to switch over to other brands or outlets. 31% respondents said that promotional offer plays a neutral role to switch over. 10% respondents are strongly agree that it influence to make switch over to other outlet, 24% agree with this statement that it play some role in switch over. 21% respondents are disagree and 14% are strongly disagree that promotional offer does not influence to switch over retail outlets.

Table 6 : The major factors which influence you to switch over to other brand or retail outlet

S.No	Opinion	No of respondents	Percentage (%)
1	Strongly Agree	19	10
2	Agree	47	24
3	Neutral	64	31
4	Disagree	42	21
5	Strongly Disagree	28	14
	Total	200	100

From the table 6 it is revealed that the rating assigned by the respondents to the level of satisfaction. The 10% of respondents have opined that strongly agree and 24% of respondents have said that they agree and 31% of the respondents have opined as neutral and remaining respondents have opined as disagree and strongly disagree.

FINDINGS

- Big Bazaar has the highest visitors than other retail outlets such as Spencers' Shoppers Stop and Vishal Mega Mart in Chennai with 36% of the total respondents.
- Electronic media is more popular than print media. 36.5% of people know promotion schemes through electronic media.
- Promotion schemes advertised through media helps customers make ease of their shopping.
- Emotional appeals in advertisement effectiveness and influence people for selecting a retail outlet.
- Celebrity endorsements in advertisements have impact on customer purchase decision.

CONCLUSIONS

The study reveals that consumer perception and behaviour towards various media and importance of advertising in retail. We have analysed all aspects of communication that influence in decision-making. During the research it has been found that electronic media and print media has high reach in consumer and play a major role in communication about promotional scheme and offers. Study indicates that word of mouth makes significant impact in decision making than any other means of communication. Having identified the need and the current level of development, this paper has examined the factors that influence advertising effectiveness. Emotional appeals through advertising influence majority of people in decision-making process. Indian consumer still driven entities, shopping entertainment and eating out are family events. Hence, all shopping or eating out decisions are more often that not, group decision and a retailer has to address family sensibilities more vigorously. Celebrity Advertising has become a significant tool for creating awareness of products or retail organisation. The important point in celebrity advertising is the effectiveness with which they are endorsing the product. By the mere presence of celebrity, the product will not make a sale as majority of the respondents who were not influenced by the advertisement responded that they did not find the persuasiveness in the advertisement. Moreover, few people who purchased the product(s) responded that they were influenced by the product information given in the advertisement. Indian customers have become more sensitive to quality, customer services and status she/he is ready to pay

sometimes astronomical sum, if he/she needs are met. Customer is looking for an experience which is more cognitive than physical. At great extent, Indian consumer is price sensitive, this study indicates that it is an important factor that plays a major role to pull crowd. Customer satisfaction is one of the most important ingredients of successful business. In order to increase sales, increase in the number of consumer and the retention of the consumer is must and this is possible only when consumer is satisfied.

SUGGESTIONS AND RECOMMENDATIONS

Personal stories and testimonials in which prospective customer learn what other people have to about a retail outlet. All products as advertising on television for health care, fitness and wellness by the Asian sky shop use this method and survey shows it is the most effective communication. Existing customer could also share experience on open forum which way find parallels in the live of the prospective customers and convince them to buy. ITC's Wills Life style has been maintaining data base of customer to contact them through direct mail to offer discount cheques, this type of advertising activities are more successful. Retailer could use more non-mass media advertising tools.

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