IMPACT OF CELEBRITY ENDORSEMENT ON CONSUMER BUYING BEHAVIOUR:
A STUDY WITH SPECIAL REFERENCE TO SANGUEM TALUKA FROM THE STATE OF GOA

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ABSTRACT

Celebrity endorsement is an advertisement technique, where a well-known personality is hired by the organization to market their products. This research study focuses on celebrity endorsement and its impact on consumer buying behavior. To carry out this study a sample of 200 respondents is selected from the Sanguem taluka. The data is collected through a structured questionnaire and results were analysed using factor analysis and regression. It is concluded from the study that there is a significant impact of celebrity endorsement on the buying behavior of a consumer.

KEYWORDS: *Celebrity Endorsement, Celebrity, Recall, Attention, Buying Behaviour.*

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Introduction

Due to globalization, there are no geographical boundaries for a business, it is benefitting the seller as well as the buyer. But it also led to high competition in the market. Today, all the business houses are using unique methods to build their brand and to hook the consumers.Almost all organizations spend a huge amount on different types of advertisements.

Celebrity Endorsement

To position their brand and products, many organizations are adopting the most effective type of advertisement that is celebrity endorsement. Celebrity endorsement is a technique where prominent and well-known personalities from diverse fields like sports, film industry, modeling industry are hired by the organization to promote their brand.

Currently, the celebrity endorsement industry is growing exponentially. Not only the new entrant but also well-established businesses also adopt a technique called brand endorsement.

There are lots of advantages and disadvantages of celebrity endorsement some of them are listed below:

Advantages

- **Enhance Goodwill**

Celebrities with a good fan base help the organization to build trust among the consumers. It helps the organization to convince the consumers about the good quality of a product.

- **Recall**

Celebrity endorsement helps the organization to differentiate its brand from its competitors. It also helps the consumer to recall the product as their favorite celebrity is attached to the brand**.**

- **Wider Reach**

Since celebrities are well recognized all over the world, it helps the organization to use the identity of celebrities to take their products to different consumers. It also helps the organization to take their products in the new markets

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- **Helps to Build awareness**

Brand awareness measures the familiarity of the consumer with a particular brand. As most of the celebrities are well recognized, it helps the organization to create awareness of the brand.

Disadvantages

- **Affects the Brand**

Celebrities are human beings sometimes they face controversies and then the heat of the controversies has to be borne by the brand.

- **Expensive**

To hire a celebrity, the organization has to burn their cash and it affects the profitability of the organization.

- **Association with too many Brands**

Sometimes celebrities sign too many contracts with a different organization. So, it becomes difficult for the consumer to recall the particular brand.

Literature Review

Dr.YogeshFunde (2019),studied "The impact of celebrity endorsements on consumer buying behavior."The objective of the study was to examine the factors of a celebrity affects the brand perception and purchase behavior.The sample size of the study was 120. The study found out that there is no direct impact of Celebrity endorsements on consumer buying behavior, for this the factors considered were Price and Quality while buying a product. It was also concluded that celebrity attributes like Credibility, Intelligence and attractiveness persuade consumers to buy products more than other factors.

Himanshidwivedi (2019),pointed out "Effect of celebrity endorsements on consumer buying behavior."The objective of the study was to examine the factors of a celebrity that influences the purchase decision. The study used a standard questionnaire to collect the data. A sample of 100 respondents was used to for the research purpose. The findings revealed that Celebrity endorsement enhances product information and creates awareness among consumers. It helps them to recall the brands of the endorsed products. Trustworthiness is the most important factor to influence the purchase decision of the respondents, followed by expertise, attractiveness, likeability, negative publicity and the presence of another region celebrity respectively

KodhaiNayaki N. and Dr. Jayachandran R (2016),investigated "An impact of brand endorsement on purchase of beauty care products." The objectives of the study were to study the influence of celebrity endorsement on the consumer's purchase decision and also to identify key factors of celebrity endorsement which can influence consumers from purchase decision. A sample of 200 respondents was used to for the research purpose. The researchers concluded that Celebrity endorsements are more reliable than non-celebrity endorsed advertisement due to which consumer's preferred trustworthiness of celebrity to be the influencing factors in their mind.

Roshan Priyankara, SudathWeerasiri, Ravindra Dissanayaka and Manoj Jinadasa (2017),conducted a study on "Celebrity endorsement and consumer buying intention with relation to the television advertisement for perfumes."The aim of this study was to identify the influence of celebrity endorsement on consumer's buying intention. The analysis was done using primary and secondary data. For the collection of primary data a total of 100 respondents were interviewed. The data was analysed using correlation analysis and testing of hypothesis. The researcher hypothesized that there is a relationship between the celebrity and the consumer buying intention. The likability to the celebrity used in the perfume brand was found to be highly significant in the perfume buying intention.

Dr. P. Rengarajan and R. Sathya (2014) made an attempt to analyze"The impact of celebrity endorsement on brand perception and buying behavior of consumer with reference to the Udumalpet." The aim of the study was to identify the impact of celebrity endorsement on brand perception.Sample size of the study was 200. The study proved that right choice in the selection of celebrity can make advertisement effective and create point of difference. It was concluded that the success in of advertisement depends on the celebrity, the product, the message, the execution and the media.

Objectives of the Study

- To analyze factors of celebrity influencing consumer buying behaviour.
- To examine the impact of celebrity endorsement on consumers buyingbehavior.

Research Methodology

Following research methodology was adopted for the purpose of study.

- **Universe**

  Sanguem taluka from the State of Goa is considered as universe

- **Sample size**

  For the purpose of the study, the sample size of 200 respondent is considered.

- **Scope of the Study**

  The study is limited to area pertaining Sanguem talukaby using questionnaire.

- **Sources of Data**

  The study is based on the data collected from both primary and secondary sources.

- **Primary Data**

  The primary data is collected from 200 respondents from the sanguem taluka.

- **Period of the Study**

  The period of study is the period of survey i.e. from 1st November2021 to 31st December 2021.

Data Analytical Tools

Data collected has been analyzedusing following statistical tools. They are:

- Factor Analysis
- Regression Analysis.

For the purpose of analysis, the data were collected from a sample of 200 respondents. With the help of questionnaire, the detailed analysis are as follows.

Hypothesis

H_0: There is no Significant Influence of Attractiveness, Attention, Qualities and Recall on purchase decision.

H_1: There is a Significant Influence of Attractiveness, Attention, Qualities and Recall on purchase decision.

Analysis and Discussion

Table 1:Reliability Statistics

Cronbach's Alpha	N of Items
.917	18

Source: Computed from Primary Data

The data collected has been tested for its reliability by using Cronbach's Alpha test of reliability.The normal range of acceptability in this test is 0.70 and above. The test shows that the reliability value is 0.917 which is an excellent value. This proves that all 18 scale variables used to test the reliability stands to be reliable.

Table 2: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.892
Bartlett's Test of Sphericity	Approx. Chi-Square	2076.710
	Df	171
	Sig.	.000

Source: Computed from Primary Data

KMO and Bartlett's Test is one of the prime test required for factor analysis. This test has beendone to check significance of the factors used for factor analysis.

From the above table, the twoimportant things one should observe are significance level and Kaiser-Meyer-OlkinMeasure ofsampling adequacy.

It is noticed that the significance value obtained in KMO and Bartlett's test is .000 which is less than 0.05. Since the value is within the limit, it states that factors used for factor analysis are significant.

The Kaiser-Meyer-Olkin Measure ofsampling adequacy value should be more than .50 in order to carry out factor analysis. Asthe obtained value is .892, the data fulfills the requirement for carrying out the further factoranalysis.

Table 3: Rotated Component Matrix

	Attractiveness	Attention	Qualities	Recall
Imitate celebrities	.759			
Popularity of the celebrity	.749			
Endorsement by favorite celebrity	.741			
Goods endorsed bycelebrity are of goodquality	.696			
Effective communication	.658			
Trust	.658			
Physical attractiveness	.656			
Productcelebrity compatibility	.653			
Brand awareness		.820		
Brandpromotion		.659		
Catchesattention quickly		.624		
Grabs attention		.517		
Expertise			.826	
Trustworthiness			.795	
Increase the brand value				.761
Long lasting impact				.619
Strong brand recognition				.539
Positive impact				.503
Total Eigenvalues	**4.531**	**2.674**	**2.629**	**2.138**
% of Variance	**23.850**	**14.074**	**13.837**	**11.250**
Cumulative %	**23.850**	**37.924**	**51.761**	**63.011**

Source: Computed Data
Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization

The general purpose of factor analysis is to find a method of summarizing the information contained in a number of original variables to a smaller set of new composite dimensions (factors) with minimum loss of information. That is, the Factor Analysis tries to identify and define the underlying dimensions in the original variables.

Factor analysis usually proceeds in following steps:

Principal Component Method for factor extraction is used, wherein the number of factors necessary to represent the data and the method of calculating them must be determined.

At this step, how well the chosen model fits the data is also ascertained. Eigen value is kept closer or greater than 1 to extract factors from the given variables. This step is to determine themethod of factor extraction, number of initial factors and the estimates of factors. Here PrincipalComponents Analysis (PCA) is used to extract factors to represent the data. In this study 18 variables were considered. In the row of Eigen Values & below that, the row titled 'Total variance explained and found thevariance on the new factors that were successively extracted. In that, these values are expressedas a percentage of the total variance. As such, factor 1 i.e. "Attractiveness" which accounted forabout 23.85% of the total variance, factor 2 i.e. "Attention" about 14.07%, factor 3 i.e. "Quality"about 13.83% & factor 4 i.e. "Recall" about 11.25% of the total variance.

For this task, the cumulative variance extracted is 63.011 %. The sums of square of all thevariables in given factors are called the Eigen values. If Eigen value is greater than 1, it becomesfactor. In similar pattern, sum of square of a variable across factors are called communalities. Asa threshold level, communalities should be greater than 0.5. The last column above presents thecommunalities values. All the variables have communalities greater than 0.5. There are several methods available for rotating factor matrix. The one used in this analysis is**Varimax Rotation.** This is the most commonly used method and attempts to minimize thenumber of variables that have high loadings on a factor. This should enhance the interpretabilityof the factors. The Rotated Component Matrix using Varimax rotation is given in the abovetable, where each factor identifies itself with a few sets of variables.

Summary

Factors contributing to the respondents' "**Impact of celebrity endorsement on consumer buying behaviour**" are summarized above in the table. It has been reduced to 4 factors as detailed below.

Factor 1: studying the **"Attractiveness factor"** with the variables such as Imitate celebrity, Popularity of the celebrity, Endorsement by favorite celebrity, Goods endorsed by celebrity areof good quality, Effective communication, Trust, Physical attractiveness and Product celebritycompatibility.

Factor 2: studying the **"Attention factor"** with the variable such as Grabs attention, Brand awareness, Brand promotion and Catches attention quickly.

Factor 3: studying the **"Qualities factor"** with the variable such as Expertise and Trustworthiness.

Factor 4: studying the **"Recall factor"** with the variables such as Increase in brand value, longlasting impact, strong brand recognition and positive impact.

Table 4: Regression Analysis

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.762	.581	.573	.67013

a.   Predictors: (Constant), Attractiveness, Attention, Qualities and Recall factors.

Source: Computed from Primary Data

Regression analysis was used to find the effect of 4 factors identified above on Impact of celebrity endorsement on consumer buying behaviour. It is seen from theabove table that the correlation coefficient value is (R) i.e. 0.762 for Model 1, which exhibits agood amount of correlation between the Independent variables which are attraction, attention,qualities and recall and dependent variable is purchase decision, with the F-ratio being 75.931and its associated significance level being small ($P<0.01$). The R square value gives us thegoodness of fit of the regression model. That is, the amount of variability explained by the wholeof the selected predictor variables in the model for 58.1% ($R^2\%=.581$ * 100) of variation in thedependent variable i.e. Purchase decision

Table 5: ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	136.397	4	34.099	75.931	.000[b]
	Residual	98.349	219	449		
	Total	234.746	223			

a. Dependent Variable: Purchase Decision

b. Predictors: (Constant), Attractiveness of celebrity, Attention, Qualities and Recall factors

The Table 6- shows that the above multiple regression analysis models are significant at 5%level of significance.

Table 6: Result of Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	3.160	.057		55.571	.000
	Attractiveness of celebrity	.613	.045	.597	13.658	.000
	Attention	.216	.045	.210	4.806	.000
	Qualities	.430	.045	.419	9.578	.000
	Recall	.069	.045	.067	1.532	.000

a. Dependent Variable: Purchase Decision

b. Independent: (Constant), Attractiveness of celebrity, Attention, Qualities and Recall factors

The multiple regression equation is as follows;

Y = 0+ 1X1+ 2X2+ 3X3+ 4X4+ (Douglas Montgomery, Peck, &Vinning, 2012)

Where;

Y = dependent variable

1, 2, 3 and 4 = Coefficients of the variables

X1, X2, X3 and X4 = Known Variables

The dependent and independent variables are as follows;

Dependent Variable: Purchase Decision

Independent Variables

- Attractiveness (X1)
- Attention (X2)
- Qualities (X3)
- Recall (X4)

Therefore, the regression equation is;

Y= Constant 3.192 + 0.613 X1 **+** 0.216 X2 + 0.430 X3 + 0.069 X4

The above estimated coefficients represents that the factors identified through exploratory factoranalysis on "Impact of Celebrity Endorsement on consumers buying behavior". The coefficient values of X1, X2,X3, X4 are significant at 5 % level of significance.Since the P value of X1, X2,X3 and X4 are less than 0.05 at5% level of significance. The null hypothesis H0 is rejected and alternate hypothesis H1 which states that there issignificant influence of attractiveness, attention, qualities and recall of celebrity endorsement onpurchase decision is accepted.

Consumers are prone to buy a product when they see a familiar face in the advertisement. Most of the consumers also believe that the products which are endorsed by well-known personalities are of good quality. Therefore, a company should select the right celebrity to target those specific audiences. The organization should choose those celebrities who are attractive to the consumers and grab their attention quickly.

Conclusion

The main objective of the study was to examine the impact of celebrity endorsement on consumers' buying behavior with special reference to Sanguem taluka from the state of Goa. It is evident from the study that the purchase decision of consumers has been influenced by the Attractiveness, Attention, Qualities, Recall factor of the celebrities. These factors have been identified through exploratory factor analysis. Analysis suggests that organizations should pay attention to these factors while hiring a celebrity for the endorsement.

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