Executive Summary

The use of celebrity endorser as the source for a communication message has increased dramatically in the past few years. Celebrities are the individuals who are well known amongst the target audience because of their exceptional performance in their own field and are popular amongst people. Most of the celebrities are seen from field of entertainment and sports. Celebrity endorsement is the widely used and less researched area in Indian Advertising. Endorsers are used in all possible forms such as spokespersons, as brand ambassadors and as brand users in movies. Celebrities are used in all possible media like broadcast, television and radio, print media, and even outdoor billboard advertising. Celebrities are used to promote everything from soft drinks to digital mobiles, from biscuits to banking services and from energy drinks to automobiles. The main reason being advertisers believe that messages delivered by such celebrities achieve a high degree of attention and recall amongst consumers.

This increased and blind usage of celebrities for advertising raises several questions in our mind regarding it's worth and effectiveness. The basic premise of this study is to judge effectiveness of celebrity endorsers. To Measure effectiveness a self designed questionnaire along with source credibility scale developed by Ohnian, 1990 was used. The scale gives effectiveness of celebrity endorsers by adding scores of three sub-dimensions Expertise, Trustworthiness and Attractiveness. The study also concentrates on exploring the impact of consumers’ demographic profile on their perception towards celebrity endorsers and effectiveness of celebrity endorsements. Other aspects of research include celebrity and product match, impact of multiple product endorsements by celebrities and negative information about celebrity. For this study most popular endorsers from field of sports (cricket) and entertainment (film Industry) were chosen. These celebrities not only represent their respective field but also an appropriate mix of different gender and age groups.
The Thesis is sectioned in eight chapters:

The first chapter of this report attempts to explain the basic concepts related to the study including Marketing, Promotion, Advertising and Celebrity Advertising. The American marketing association defined marketing as “the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchange that satisfy individuals and organizational goals”. The Promotion part is said to be most important as well as most difficult part of entire marketing process. The primary task of Promotion is to inform and second most important task of Promotion is persuasion. The most important component of promotion mix is advertising.

The second chapter gives information regarding evolution and usage of celebrity endorsements. This chapter includes types, forms, advantages and problems of celebrity endorsements. It also explains the legal and ethical issues related with celebrity endorsements in India.

The third chapter titled conceptual framework of the study covers the process of celebrity endorsements and its influence on consumer behavior. This chapter covers all important concepts that are useful for the study starting from basics of Marketing and Promotion to Communication process and use of celebrity endorser as a source of message. This chapter discusses Consumer behavior, Perception and Buying Decision Process. This chapter explains focus, contribution and significance of this study with context to marketing and consumer behavior.

The next chapter titled Literature Review refers the various research studies carried out in India as well as abroad. The literature has helped in understanding various dimension of celebrity endorsement process and has helped in designing an appropriate and comprehensive study on the said subject. Extensive research studies have been carried out on these aspects in foreign countries. As far as India in general and specifically Gujarat region is concerned, no such study of same magnitude and detail has been conducted. Number of research papers from renowned journals and magazines from world over were referred. Journal of Advertising, Journal of Advertising Research, Journal of Consumer Research, and
Journal of Marketing Research are few of those names. Several books pertaining to Advertising Management and Integrated Marketing Communications from renowned authors have been referred.

The next chapter is on Research Methodology and explains the research objectives, scope, rationale and methodology followed for the study. The major objective of the study was to study the effectiveness of celebrity endorsements amongst consumers in Gujarat. The study also aimed at exploring the use of celebrity endorsement as a communication strategy and its impact on brand recall and persuasion.

The present investigations were descriptive in nature with survey being used as the major research approach. In first stage a measure to judge effectiveness of the celebrity endorser was developed with the help of available literature and through interaction with academicians and experts in the field. In the second stage data was collected from the respondents to explore effectiveness and demographic influences. The respondents represent all segments that are above 18 years of age and include male and female from different age groups.

Scope of study was the state of Gujarat. Sample was drawn from seven major cities i.e. Ahmedabad, Baroda, Surat, Rajkot, Bhavnagar, Jamnagar, Junagadh (all municipal corporations) of the Gujarat state. The sample of the study, represented the population with respect to demographic dimensions i.e. gender, age, income, and occupation. Care was taken to make the sample representative of the actual population. Total 630 questionnaires were received out of which 50 were rejected due to incomplete responses. Thus, final valid respondents for the study were 580.

The sixth chapter of the study is on Data Analysis and interpretation. The data was tabulated using Microsoft office- Excel and statistical package SPSS. Results are analyzed and interpreted in light of research objectives of the study. This chapter includes detailed analysis of data and testing of hypothesis.
The seventh chapter titled findings and conclusion gives findings of the study as

The top three brands recalled by respondents endorsed by celebrities selected for the study are as follows:

- Amitabh Bachchan : Cadbury, Dabur and Reid and Taylor
- Rahul Dravid : Bank of Baroda, Pepsi and Hutch
- Aishwarya Rai : Lux, Nakshatra and Coke
- Sania Mirza : Sprite, Tata Tea and Club Hp

Important feature of the advertisement: Message and story line of the advertisement and Punch Line/Slogan were considered as the most important feature/components of the advertisement. Celebrity were also considered as an important component but ranked after the above two along with execution style of the advertisement.

Effectiveness of Celebrity endorsers: Mean score of effectiveness as judged by source credibility scale (Ohanian, 1991) were calculated. The scores revealed that effectiveness of film celebrities was high as compared to that of sports celebrities. Effectiveness of male celebrities was found to be slightly high as compared to female celebrities. Differences in perception of respondents of different gender and age-groups were observed.

Celebrity and product match: Different celebrities were found suitable for different product categories. For example Amitabh was found more suitable for banking services and clothing/apparels. Similarly Rahul Dravid was found more suitable for banking services as well as home entertainment and personal grooming products. Aishwarya Rai was found most suitable for Soap and Shampoo and Apparels. Sania Mirza was found suitable for soap, shampoo and food products.

Reasons for Product suitability: In case of Amitabh Bachchan and Rahul Dravid social status and personality were selected as most important reason for
suitability of the celebrity for a particular category of product. In case of both female celebrities, gender was stated as the most important reason.

**Reason why people buy products endorsed by celebrities:** Increase in value perception, tendency to copy celebrities and their role model status were the factors found most important. About 40% respondents agreed that negative information about celebrity affect their purchase decision and value perception of the brand. Regarding multiple product endorsement by celebrity endorser opinion was divided amongst the respondents. More than 70% respondents intended to buy products endorsed by the celebrities.

On basis of analysis and interpretation of data as well as literature reviewed as part of secondary data, suggestions to Marketers, Advertisers and Celebrities are given in the last chapter of the study titled Suggestions and recommendations as an outcome of the study. The suggestions include ways to improve effectiveness of celebrity endorsers and suitability for product categories based on gender and profession. Future research directions are also suggested.