CHAPTER I

INTRODUCTION AND DESIGN OF THE STUDY

1.1. Introduction

The modern world of marketing communication has become colorful and inundated with advertisements. It is an uphill task for the designer of an advertising campaign to differentiate itself from others and attract viewers’ attention.

Aristotle said, “Beauty is a greater recommendation than any letter of introduction.” This could aptly summarize why innumerable products are endorsed by celebrities, with or without a significant need or benefit from the same. If the world were full of all wise men and all wise women; we would have never heard of a term called “advertisement”.

Everyday consumers are exposed to thousands of voices and images in magazines, newspapers, and on billboards, websites, radio and television. Every brand attempts to steal at least a fraction of an unsuspecting person’s time to inform him or her of the amazing and different attributes of the product at hand. The challenge of the marketer is to find a hook that will hold the subject’s attention. In helping to achieve this, use of celebrity endorsers is a widely used marcom strategy.

In this jet age, people tend to ignore all commercials and advertisements while flipping through the magazines and newspapers or viewing Television
(TV). But even then, the glamour of a celebrity seldom goes unnoticed. Thus, celebrity endorsement in advertisement and its impact on the overall brand is of great significance. In this process, the companies hire celebrities from a particular field to feature in its advertisement campaigns.

The promotional features and images of the product are matched with the celebrity image, which tends to persuade a consumer to fix up his choice from a plethora of brands. Although this sounds pretty simple, but the design of such campaigns and the subsequent success in achieving the desired result calls for an in-depth understanding of the product, the brand objective, choice of a celebrity, associating the celebrity with the brand, and a framework for measuring the effectiveness.

Companies invest large sums of money to align their brands and themselves with endorsers. Such endorsers are seen as dynamic with both attractive and likeable qualities and companies plan that these qualities are transferred to products via marcom activities. Furthermore, because of their fame, celebrities serve not only to create and maintain attention but also to achieve high recall rates for marcom messages in today’s highly cluttered environments.

Similarly every product has an image. The consumer tries to consume a brand which has the maximum fit with his/her own personality/image. The celebrity endorser fits in between these two interactions, where he tries to bring
the image of the product closer to the expectation of the consumer, by transferring some of the cultural meanings residing in his image to the product.

1.2. Celebrity

The word celebrity itself comes from the Latin word ‘celebritatem' meaning, literally, ‘condition of being famous.' Which means that people just have to recognise you for you to be a celebrity. The irony of course being that most celebrities strive for years to be famous, and then wear dark glasses to avoid being recognised and moan constantly about actually being famous.

There are two different definitions of celebrity endorser which are used in the literature. The definitions are:

“Any individual who enjoys public recognition and who uses this recognition on behalf of a consumer good by appearing with it in an advertisement” (McCracken, 1989).

“A celebrity endorser is an individual who is known to the public (actor, sports figure, entertainer, etc.) for his or her achievements in areas other than that of the product class endorsed” (Friedman, 1979).

A celebrity is a person who is well recognized by the public, and has a reputation for his/her expertise in his/her chosen silos. Sports persons and film


stars fit the bill perfectly. Promotion of a company’s products through these celebrities is termed as celebrity endorsement. The company makes use of the celebrity’s characteristics and qualities to establish an analogy with the products specialties with an aim to position them in the minds of the target consumers. Celebrity endorsement thus is one of the powerful tools adopted by companies/marketers to consolidate their brand(s) in the crowded marketplace.

The person who is involved in communicating the marketing message in either a direct or an indirect manner is known as the source. A direct source is a spokesperson that delivers a message and/or demonstrates a product or a service, e.g. a tennis star endorsing a company’s tennis rackets. An indirect source, say a model, does not actually deliver a message but draws attention to and enhances the appearance of the advertisement. Some advertisements use neither a direct nor an indirect source; the source is the organization with the message to communicate. Since most research focuses on individuals as a message source (Belch & Belch, 2001), our examination of source factors follows this approach. Source and endorser are synonyms and also the word sender is sometimes used for this variable that is part of the communication process\(^\text{3}\).

1.3. Celebrity Endorsement

Celebrities acted as spokespersons, in order to advertise and promote products, services and ideas. Those celebrities came from the art scene, modelling, sports and the movie industry. The first advertisers used celebrities as pioneers in order to dictate trends.

The use of testimonials by advertisers dates back to the 19th century when medicines were patented. Firms have been juxtaposing their brands and themselves with celebrity endorsers (e.g., athletes, actors) in the hope that celebrities may boost effectiveness of their marketing and/or corporate communication attempts for at least a century. One of the early example is Queen Victoria’s endorsement of Cadbury’s Cocoa. It was not until the 1920s, however, that advertisers used famous people for product endorsements.

Actresses Joan Crawford, Clara Bow and Janet Gaynor were among the first celebrities to promote products (Fox, 1984). At that time, the rationale given by advertising agencies for using celebrities was “the spirit of emulation”. About a decade ago, one in three television commercials used celebrities’ endorsements, and today this advertising approach appeared to be on the increase across all media types. Friedman (1977) found that celebrities are featured in 15 percent of the prime-time television commercials. In the United States, it was reported that about 20 percent of all television commercials

---

feature a famous person, and about 10 percent of the dollars spent on television advertising are used in celebrity endorsement advertisements. Thus, celebrity endorsement has become a prevalent form of advertising in United States and elsewhere.

Today, the use of celebrity advertising for companies has become a trend and a perceived winning formula of corporate image building and product marketing (Media, July-August 1997). This phenomenon is reflected by the recent market research findings that 8 out of 10 TV commercials scoring the highest recall are those with celebrities’ appearances. Today both theory and practice prove that the use of super stars in advertising generates a lot of publicity and attention from the public (Ohanian, 1991).

Till (1998) states companies can use celebrity endorsers either sporadically or opportunistically, at the whim of the client or the agency. Payback on the investments in the celebrity endorsement comes from using the celebrity regularly over time. The repetition strengthens the associative link for those consumers already aware of the celebrity endorsement. It also increases the pool of consumers who begin to become aware of the link between the brand and the celebrity. Marketers unwilling to commit to consistently using


the chosen celebrity, weaken the benefit expected to be derived from the endorser, and may wish to rethink the appropriateness of using a celebrity\textsuperscript{7}.

According to Jagdish and Wagner\textquotesingle s (1995) research, the average impact of these announcements on stock returns is positive and suggests that celebrity endorsement contracts are generally viewed as a worthwhile investment in advertising. However, companies should not neglect the potential risk of this kind of marketing campaign\textsuperscript{8}.

As advertisers pour crores of rupees every year into celebrity advertising, the question arises……..is it worth all the money and the headaches of coordinating stars and managing their tantrums.

Think of Sachin Tendulkar. He means Pepsi in soft drinks, Boost in malted beverages, MRF in tyres, Fiat Palio in cars, TVS Victor in two-wheelers, Colgate Total in toothpastes, Britannia in biscuits, Visa in credit cards, Airtel in mobile services and Band-aid.

Nowadays celebrities are used in advertising everywhere. David Beckham endorses several products for Gillette, Michael Jordan for Nike and Britney Spears for Pepsi etc. These celebrities act as spokespersons, in order to advertise and


promote products, services and ideas (Kambitsis et al., 2002). Celebrity endorsers can create more positive responses towards advertising and greater purchase intentions than a non-celebrity endorser (Byrne et al., 2003).

Celebrity endorsements pull in hundreds of crores every year, and are widely preferred by marketers to promote their products. Using celebrities for endorsing brands has become a trend for building the brands as well as the company’s image. Who are these celebrities? And what does celebrity endorsement mean?

The reason behind the popularity of celebrity advertising is marketers’ belief that the viewers’ attention level is much higher, which will result in greater sales. Generally, celebrities are used for their unique attributes, accomplishments and expertise which make advertisements more believable to consumers.

The definition gives a clear view of what a celebrity endorser is. Endorsements typically involve three participants; sellers, endorsers and target consumers. The object (the product) and the typical sequence of events are for example; the seller asks the endorser to use or evaluate the product, the endorser tries the product, the endorser urges the target to consider the product etc.,(Speck

---


et al., 1988). Celebrity endorsement is the activity that utilizes a celebrity to endorse a product in advertising. Celebrity endorsement is an advertising strategy among many others; for example sales promotion, public relations, direct marketing etc. It is common that companies who use celebrities in advertisements are associated with celebrity endorsers over a long period of time (Hsu and McDonald, 2002).

A noticeable trend is that endorsement by actors, athletes and other celebrities are associated with both the product and the target audience (Ohanian, 1990).

Researchers have found that celebrity endorsement can be effective if the characteristics of the celebrity match with the attributes of the product. Attractive endorsers are more effective when promoting products used to enhance consumers attractiveness. Attractive people have greater influence on the consumers compared to unattractive people (Till and Busler, 1998).

---


1.4. Classification of Endorsers

Endorsers can be classified into three broad groups, experts, lay endorsers and celebrities. Experts are individuals that the target population perceives as having substantial knowledge in a particular area. Typically experts are chosen because of the knowledge they have accumulated through experience, studies, or training (Tellis, 1998).\(^{15}\)

Lay endorsers may be real or fictitious. They are (initially at least) unknown individuals or characters, which are selected to closely resemble the target segment, enabling the target segment to identify with the endorser and the message. The anonymous voice-over in video and audio advertisements is often that of a lay endorser.

1.5. Celebrity Advertising

Due to the immense availability of media, the emergence of a new stage of commercial communication has taken place. Companies are constantly finding new ways in which they can communicate with their consumers, in both a conscious level and subconscious level, by surrounding consumers with constant brand messages. At a conscious level the consumers choose which communications to be interested in. if they are looking for a specific product or

---

service of interest they will selectively perceives relevant brand messages. The battle for a piece of the consumers “mind space” has lead companies to want to associate their brands with desirable and trustworthy celebrities in order to attract consumer’s attention and interest. The use of celebrities as means of communication has been commonly utilized in advertising and branding. This is done because it is assumed that celebrities have a powerful effect on the affluence of the brands they endorse.

Indian advertising started with the hawkers who used to shut out their goods right from the days when cities and markets first began. Since then, advertising has been converted into a strategic tool that enhances sales, more profits and helps in the process of brand-building and product promotion. With this evolved a strategy that tried to benefit from the emotional attachment of the admirers or the fns of the celebrities; in the form of celebrity endorsement. It does help in creating instant awareness and visibility; but for a cost.

There is a myth that celebrity endorsement is used to give a brand advantage over its competitors. However, choosing a celebrity for this purpose requires considerable amount of calculations. There should be something common between the brand and the celebrity promoting it. Let us come to the main question as to why marketers use celebrities to promote their brands. Is there a real need to associate a celebrity with the product? Yes seems to be the resounding answer. This is because a company needs to create awareness and interest in the consumers mind when it unveils a new brand or product. To be
successful, brands need to convince consumers that they carry a different image and value from other competing products. In other words, brands have to show their true personality to the potential consumer(s).

Celebrities increase brand awareness and define values and new dimensions of the brand. Marketers use this approach to capture mind and market spaces for their brands. The underlying reason for any celebrity endorsement has to be more sales, with more consumers using the brand.

Today, celebrity endorsement became a buzzword. Dabur Glucose endorsed Amitabh Bachchan. T.V.S. Scooty introduced new hoardings with Preety Zinta. Shahrucksh is endorsed in Lux, Santro etc., Vivek Oberoi is endorsed in Babool. Aishwarya Rai is endorsed in Coca Cola ad. It looks that without a Film or Sports star, companies don’t want to give you anything.

Amitabh endorsing Reid & Taylor campaign was a much known endorsement. The objective was to acquire faster brand recognition, association and emotional unity with the target group. The Reid & Taylor ad showed the highest recall amongst fabric ads. Similarly, when S Kumars used Hrithik Roshan, then the hottest advertising icon for their launch advertising for Tamarind, they reckoned they spent 40 – 50 per cent less on media due to the sheer impact of using Hrithik. Ad recall was as high as 70 per cent.

Basically, celebrity endorsements give a brand a touch of the personality, and the hope that a famous face will provide added appeal and name recognition in a crowded market. In the battle for the mind, you get the consumer excited by
showing him a known face, and an effective demand is created. This would normally work best when the concerned brand has close substitutes, or has a need for differentiation, or requires quick entry in a short lifecycle category.

Few studies have actually compared celebrity advertising to non-celebrity advertising to determine their relative effectiveness. For example, using advertisements with celebrities and non-celebrities for a fictitious brand of sangria wine Friedman, Termini, and Washington (1977) found that the celebrity version of the advertisement had higher scores on probable taste, advertising believability, and purchase intention, the three dependent variables\(^{16}\).

Similarly, Atkin and Block (1983) found that advertisements with celebrity spokespersons had more favourable effect on consumers than those with non-celebrities\(^{17}\).

Therefore, based on previous research, it is hypothesized that advertisements with celebrity spokespersons will have greater effectiveness as measured by higher scores on advertising believability and purchase intentions than those with non-celebrities. Celebrity ads are becoming very common and prominent phenomena in advertising everywhere. Almost 25 percent of all

---


American ads have celebrities in them (Stephens and Rice, 1998)\(^{18}\) and this percentage is more than double, up to 70 percent in Japan (Kilburn, 1998)\(^{19}\).

If I may take the liberty of rephrasing Aristotle’s quote on anger, “Any brand can get a celebrity. That is easy. But getting a celebrity consistent with the right brand, to the right degree, at the right time, for the right purpose and in the right way……that is not easy”.

Cronley (1999) examined celebrity advertising in terms of the correspondence bias. The correspondence bias is the tendency to assume that a person’s behaviour is a true reflection of his beliefs or opinions, and thus, his underlying dispositions when, in fact, could be explained entirely by situational factors\(^{20}\).

In other words, people make strong inferences from behaviour and fail to adjust according to the situational constraints. The correspondence bias is one type of inferential bias that arises when a person has to make a judgment such as a prediction, causal attribution, or an attitude formation. Inferential biases result from the limited amount of cognitive capacity (ie. Limited attention and

---


memory) people have to process information, and the inappropriate use of relevant and irrelevant information.

As Indian firms are stepping into abroad; they want to make aware of consumers about their presence in foreign countries, which means that their brand is a global brand. They aim to establish a positive image in the minds of consumers about their firm and their brand. However, it is difficult for the audience to remember all brands except those they use regularly.

As Indian consumers are familiar with foreign celebrities, some Indian organizations use foreign celebrities to endorse their brands. Corporate like AMP - Sanmar, MRF, Bajaj, Pepsi, Titan, etc. are using foreign celebrities to promote/endorse their brands. There are many factors considered while using foreign celebrities in Indian advertisements.

- Since foreign celebrities are new to the market with high popularity, people may like them and hence firms use foreign celebrities.
- The appearances of non-Indians are more in media that may attract the audience towards foreign celebrities.
- People may assume that the foreign celebrities have good knowledge and experience
- Foreign celebrities may possess some extraordinary characteristics that Indian celebrities do not have.
1.6. Celebrity Endorsement as an Advertising Strategy

Celebrity endorsement advertising has been a prevailing advertising strategy. This advertising strategy is widely spread, and as much as 20 percent of all advertising use some type of a celebrity endorser (Till, 1998).21

According to Pringle (2004), celebrity endorsement is one of the most effective ways of establishing a long-running brand-building campaign. He argues that a great concern in celebrity endorsement is the endorser’s intention when promoting. They need to retain a real sense of integrity and credibility in their relationship with the brand and the advertising campaign. Previous studies have been written on consumers’ response to celebrity endorsement in advertising. Findings show that celebrities make advertising believable and enhance message recall. Furthermore, when celebrities are recognized with brand names, it creates a positive attitude toward the brand and a distinct personality for the endorsed brand. According to Pringle (2004) the public’s fascination with famous people will continue unabated because of their role in society as entertainers. Thus, the use of celebrities in advertising will increase. The era of permission marketing will force brands to ensure that they are wanted. An association with a desired celebrity will create the necessary consumer pull.22

21 Ibid.,

Some celebrities endorse several products, sometimes even switching their endorsement to rival brands. The negative publicity generated by some celebrities has added the potential risk of negative impact; and surveys of consumers’ reaction to product endorsements reveal that only a fraction of all consumers react positively to endorsements (Agrawal and Kamakura, 1995). He concludes a positive impact of celebrity endorsement on expected future profits, which supports the market to use celebrity endorsers in advertising.

A study done Agrawal and Kamakura (1995) provide evidence based on a large numbers of samples that celebrity endorsement is a profitable advertising strategy. It happens that the link between the endorsed product and the products itself is hard for the consumer to discover. This is critical to understand when discussing celebrity endorsement (Hsu and McDonald, 2002). It is important to choose a celebrity, who is credible in using the product, because consumers know if the celebrity use cheap products or not. It is crucial to make sure that the association with the product is positive. Do not use, for example, Mike Tyson when endorsing dental products\textsuperscript{23}.

There are around 130 television channels in India broadcasting over 3 million television commercials each year in India. The media explosion can thus be easily demonstrated. More over, people forget 80\% of the information in just 24 hours! Just imagine the plight of the marketer to make his brand shout over

\textsuperscript{23}Ibid.,
the deafening clutter of all the brands! Some where in the 80’s, an Indian marketer found the solution, ‘Celebrity Endorsement’ for the brand.

Till (1998) have mentioned some principles that can be used when regarding more effective use of celebrities to enhance brand equity:

- Celebrity endorsements will be more effective when used consistently over time to increase the strength of the link between the celebrity and the endorsed brand.
- Celebrity endorsement will be more effective when the ad implementation is simple, clean and free of irrelevant facts. Focus on the celebrity and the brand together.
- Celebrity endorsement will be more effective when using a celebrity who is not associated with another product.
- Celebrity endorsement will be more effective when using a celebrity who has the right fit for the endorsed brand.
- Celebrity endorsement will be more effective to brands for which consumers have limited knowledge.

A celebrity endorser used in an advertisement can be interpreted as a reference group. A reference group is defined as any person or group of persons that serves as a point of comparison (or reference) for an individual by communicating values, attitudes and providing a specific guide for behaviour (Shiffman and Kanuk, 2006). An aspiration group is a

\[\text{Ibid.,}\]
derivative of the reference group: in this case, the consumer does not belong to the group but is willing to be associated with it. To become 'associated' with this group, consumers are willing to behave like members of the aspiration group. This means that consumers are trying to behave in the same manner, e.g. Try to use the same symbolic meanings – of the aspiration group. This means that a celebrity endorser can be interpreted as the 'personality' of the reference group\textsuperscript{25}.

Companies invest large sums of money to align their brands and themselves with celebrity endorsers. Research has shown that because of the fame of celebrities, they do not only create and maintain attention of the consumers but they also achieve high message recall (Ohanian, 1991\textsuperscript{26}; O'Mahony and Meenaghan, (1997)\textsuperscript{27}). However, companies have limited control over the celebrity's persona which can also result in high risk and “no gain” situations (e.g. the “scandals” surrounding celebrities like Michael Jackson, Kate Moss, Britney Spears, Paris Hilton). As a result, companies build characters (using people who are not celebrities) which


\textsuperscript{26} Ibid.,

are congruent with their brands and target-audiences, and ensure that these characters are endorsing only one particular product.

Tom et al., (1992) found that created endorsers were more effective in creating a link to the product than celebrity endorsers\textsuperscript{28}. Mehta (1994) has found that there were no significant differences for the concepts ‘attitudes towards the advertisement’, ‘attitude towards the brand’ and ‘intentions to purchase endorsed brands’ between celebrity and non-celebrity endorsement advertisements. When confronted with non-celebrity endorsers, consumers were significantly more focused on the brand and its features, whereas with celebrity endorsers the subjects were significantly more concentrated on the celebrity in the advertisement\textsuperscript{29}.

However, Atkin and Block (1983)\textsuperscript{30} and Petty et al., (1983)\textsuperscript{31} have found the opposite results of Mehta (1994). Potential advantages of utilising celebrity endorsers are that it can increase attention, polish the image of the brand, especially when a brand will be introduced in the market or a


\textsuperscript{30} Ibid.,

repositioning of a brand will take place. However, pre-testing and careful planning is very important and the life-cycle stage of the celebrity has also be taken into account (De Pelsmacker, 2004).32

Celebrity endorsing has a potential advantage when a global campaign will be organised and celebrities who are appropriate for a global target audience can be used; however this can be also be very expensive. In general, potential hazards of celebrity endorsement are the costs and that the possibility that the celebrity overshadows the brand, or that it can change the image, that overexposure of the celebrity takes place (especially when a celebrity become an endorser for many different products) (Zafer Erdogan, 1999).33

1.7. Celebrity Endorsement in India

Phase 1: The Pioneering Phase (1950-1980)

This phase was characterized by: -

1. Limited channels of communication
2. Demand exceeded supply
3. Heavy regulation and governmental regulations

---


some bigger companies from their global experience introduced the concept of celebrity endorsement. HLL has used Hindi film stars to endorse their beauty soap Lux since the fifties.


The introduction of television added a variable effective medium of communication. Indian stars going global with events like Asiads and World Cup victory. Vimal, Thums-Up, Gwalior and Dinesh are some of the other brands that used star-appeal in the early days of mass advertising. There was a spurt of advertising, featuring stars like Tabassum (Prestige Pressure-cooker), Jalal Agha (Pan Parag Pan-masaala), Kapil Dev (Palmolive Shaving Cream) and Sunil Gavaskar (Dinesh Suitings).

**Phase 3: Globalization**

In highly competitive markets, the following realities about brand management exist:

1. Product differentiating factors are duplicable and imitable.
2. All long existing and successful brands imbue their products with a meaning.

**1.8. Choosing Right Celebrity**

Amitabh Bachchan, Shahrukh Khan, Hrithik Roshan, and Sachin Tendulkar figure among a handful of celebrities who have been endorsing
brands. Companies have gone a step further to localize their endorsements, so as to have a stronger impact by roping in the regional stars, who command a good following among the local consumers. It is, nevertheless, high time companies rethink their strategies of using celebrities for endorsing their brands, as their trend is fast becoming a cliché, what with every other promotion featuring one or another, and the trick losing its charm. The question is whether the celebrity can spread his/her values over such a wide portfolio of brands that are endorsed, and what kind of impression would the consumer have for the endorsed brand? The other aspect which sees companies fork out huge sums of money for getting their products endorsed by celebrities has to be looked at from the return on investment point of view, and also the marketing angle, which preaches uniqueness and differentiability of the products.

   Marketers need to be careful before choosing a celebrity for endorsing their brand, as they spend huge amounts on their brands and also on the celebrity. The use of a celebrity should help in building the brand’s image. The pros and cons of using a particular celebrity have to be considered before using them for endorsements; and credibility of celebrity is often one of the basic factors in determining his/her suitability for the endorsement. Marketers have to check if there exists a match between the brand and the celebrity, and whether the deal is worth the investment.

   There are some basic criteria of selecting the right kind of celebrity for a brand. They are:
• the celebrity’s image has to fit with the advertising idea and match the
target audience and the product;
• values, popularity, credibility and the availability of the celebrity;
• cost of acquiring the celebrity;
• Previous endorsement and the celebrity’s profession.

There should be a synergy between the celebrity, the ad message and the
product. This helps in the consumers developing an interest towards the
brand.

Multiple product endorsement also has a negative impact on consumers’
purchasing intentions. Trip et al investigated the effects of multiple product
endorsement by celebrities on consumers’ attitude and intentions. They found
that the number of products a celebrity endorses negatively influences consumer
perception of the endorser and the advertising itself. It was suggested that when
as man as four products are endorsed, celebrity credibility and likeability, as
well as attitude towards the ad may attenuate.

Amitabh Bachchan endorses multiple brands like Pepsi, Mirinda, ICIC,
BPL, Parker pens, Nerolac, Dabur, Reid and Taylor, Maruti Versa, Hajmola,
Tide, Cadbury and a few social messages. It has worked in some cases, while in
some cases it has not.

D.K.Jain, chairman and President, Luxo Writing Instruments Pvt. Ltd, the
marketer of the Parker brand said, ”Using Amitabh Bachchan as on brand
ambassador has helped in strengthening our brand image and recall within the target audience”.

In case of Nerolac Paints, which was endorsed by Amitabh Bachchan, around 80 per cent of the respondents when asked to associate Bachchan with any paint did so with Asian Paints, which is the biggest competition of Nerolac34.

1.9. Successful Endorsements / Endorsers

Celebrity endorsements have found good acceptance among the consumers as an effective way of promoting brands. In a survey, it was found that in 20 per cent of TV ads in the US feature celebrities, most of them from the sports arena, and these are done to gain ground in the consumers’ minds with their interest for sports and sport stars. Nike has benefited from using Michael Jordon, the famous basket ball player by getting him endorse its shoes. Things have worked Nike’s way, as basketball is a highly popular sport in the US and when someone like Michael Jordan says he uses Nike, it indeed creates a huge impact on the minds of the consumers. Nike has, in a way, justified its use of Jordan through the profits it made.

In the Indian context also, there have been quite a few examples of brands, which have been successful after being endorsed by famous

34 www.magindia.com
personalities. The trend kicked off with movie and television stars being used for the endorsements. HLL has been using film actresses to endorse its beauty soap Lux. Amitabh Bachchan has been endorsing many brands for quite some time now. Companies have been in a mad rush to include Bachchan in their promotions to attract consumers, because of the following and respect the senior and talented star carries. It is a sort of belief for every marketer and company that he can endorse any brand or any product and that the association will win consumer attention. This kind of reputation has often led companies to spend huge amounts on signing film stars. Shahrukh khan also has been in the endorsing business, and his endorsements include Pepsi, Hyundai Santro and Videocon to name a few.

In India, cricket is followed like a religion and has, thus, turned to be a breeding ground for stars who can be used by marketers. Marketers have been very quick in identifying this, and started using cricket stars to endorse their brands/ products. Kapil Dev, the great Indian cricketer and ‘wisdom Indian Cricketer of the Century’, used to endorse Palmolive and Boost during his tenure in the Indian cricket team. Now, the list of cricketers endorsing brands will be a long one. The best and most widely regarded of them has to be Sachin Tendulkar, also referred to as the little master, who carries a nation’s hope on his shoulders in every game that he plays. Tendulkar has been associated with nearly a dozen brands, and companies have been paying him some hundreds of
crores of rupees to vouch for their brands. The little master has given his charismatic touch to brands like MRF, Pepsi, Boost, TVS, Airtel, etc.

1.10. Choice of Celebrity

The erroneous choice of a celebrity for endorsing the brand can cause the expectations of the company and the sales to fail. This way, not only does the brand lose its identity, even the celebrities’ image could be at risk for being associated with a failed brand. Ads featuring the celebrities should never allow the celebrities’ image to overshadow the brand itself. When Maruti launched their family car ‘Versa’, the company had decided to use Amitabh and Abhishek to feature in its ads. The ads were successful, but they could not create sales as the consumers were expecting a much better product after seeing Amitabh in the ad.

According to Manoj Khatri, Research and Co-ordination Editor of www.estrategicmarketing.com, “There are five reasons why celebrity endorsements won’t work. They are: Improper positioning, Brand-celebrity disconnects, Clutter flutter, Dissatisfaction with product quality/ performance, and Confusion/Skepticism”.

These days, there is an intense rush of commercials on the small screen as fillers between serials, movies, star shows, cricket matches, news and many other programs. The information overload caused due to excessive use of the same or different stars across the same or different products can lead to
confusion among the consumers. Consider Amitabh Bachchan who lends his charisma to so many brands.

Celebrities, particularly movie stars, TV personalities, and sports heroes, provide a popular tube of reference group appeal to their loyal followers among the general public. They represent an idealisation of life that most people would love to live, especially in India where people are crazy about movies and cricket. Celebrities provide an attraction by breaking through the clutter and thus provide an appeal among the masses.

A celebrity may be seen as a testament, an endorsement, or as a company spokesperson.

**Testimonials:** If the celebrity has personally used the product or service and is in a position to attest to its quality, he or she may give a testimonial citing its benefits. Aishwarya Rai testifies to having used L'Oreal Hair colour and vouches for its benefits. Or in the case of the ads released by Cadbury's following the worm infestation incident, Amitabh Bachchan was asked to visit the factory premises, inspect the conditions of production and then testify in favour of the chocolates.

**Endorsement:** Celebrities are often asked to lend their names to products or services of which they may or may not be experts. For example, Naseeruddin Shah endorses Sunola Oil and the ad features him extolling the health benefits of using sunflower oil. Although he may not be a nutritionist, the fact remains that being a public figure, he lends
credibility to the brand.

**Spokesperson:** A celebrity who represents a brand or company over an extended period of time, often in print and television advertisements, and in personal appearances, is usually called a company spokesperson. Eventually, the celebrity's appearance becomes closely associated with the brand or company. For example, Shah Rukh Khan is the spokesperson for Tag Heuer watches.

Eventually, the celebrity's appearance becomes closely associated with the brand or company. For example, Shah Rukh Khan is the spokesperson for Tag Heuer watches.

However, these days, almost all brands are resorting to celebrity endorsed campaigns, often with the result that one celebrity, owing to his star status in the industry, endorses numerous brands at the same time. To cite instances, Amitabh Bachchan endorses more than a dozen products from Parker pens, ICICI home loans, Cadbury Chocolates, Dabur to Navartana Oil. Sharukh Khan features in ads for Santro, Bagpiper, Airtel, Pepsi and many others.

Advertisers spend enormous sums of money to have celebrities promote their products, with the expectation that the reading or viewing audience will react positively to the celebrity's association with their product. However, recently there have also been instances, where brands have had to pay a heavy price for the fallibility of their ambassadors. Hansie Cronje, Azharuddin, and Ajay Jadeja had to be pulled out of all ads after the match-fixing scandal. Mike Tyson was dropped by Diet Pepsi after the heavyweight champ’s much publicised marital problems. Salman Khan's ads were stopped after he was caught in the deer hunting case.
Many believe that it is the instrument of foolish marketers. They stand by the fact that the stars mislead consumers instead of guiding them and, they themselves might switch leaving the consumers perplexed. E.g. Aamir Khan and Aiswarya Rai earlier endorsed Pepsi but are now seen in Coke ads. These products are direct competitors in the Indian market. Does this then have a negative impact on the consumers? Amitabh Bachchan, the most dignified personality of Indian cinema is seen endorsing products like Navratna Oil, and Sachin Tendulkar endorses Today's Pens. Is there a mismatch between the personality and the product? Sachin Tendulkar endorsing Boost is acceptable, but his endorsing Today's pen is confusing. Similarly, Navratna Oil is not seen as a high end product, and hence does not match the stature of Amitabh Bachchan.

Another point to consider is whether the celebrity is responsible enough to actually examine the product thoroughly before lending his name to it. Many a time, the monetary factor is the only consideration, and a dubious product endorsed by a celebrity may end up doing harm. A case in point would be the erstwhile high profile ads for Home Trade, featuring Sachin Tendulkar, Hrithik Roshan and Shahrukh Khan. They were reportedly paid astronomical amounts for their endorsement. A lot of people were misled by the initial publicity the company received, thanks to the star studded campaigns.
Often celebrity endorsements for certain products such as alcohols and cigarettes lead impressionable minds to see it as an approval. Bagpiper ads featuring Sharukh Khan, Akshay Kumar, Dharmendra and Baba Zarda with Govinda and Amjad Khan are some of the examples. Not all personalities, however, are lured by the big bucks. Badminton champ P. Gopinath refused to endorse colas as he felt that they were harmful to kids and he wouldn’t consume it himself. This only sets the tone for some principled thinking by both corporate houses as well as their brand ambassadors.

But for celebrity endorsements to work, they should work on some fundamental ground rules:

a) Articulate with clarity on the brand promise (what am I?) and the brand personality (Who am I?)

b) Create consensus among the brand team on what the communication objectives for the campaign are

c) Focus single mindedly on the characteristics the chosen celebrity should possess, in order to provide synergy with the brand to be advertised

d) Overtly establish what the celebrity is going to communicate

Once these criteria are met, endorsements can work as a force multiplier. On the flip side, the greatest danger is that because celebrities already carry a strong brand character, a mismatch could be counterproductive to the brand. It is very tempting to be carried away by the short – term exposure and interest that an endorsement could generate.
When Palmolive used Kapil Dev in the ‘80s, his line ‘Palmolive da Jawaab Nahin’ became famous – it is remembered even today. Pataudi gave Gwalior suiting a strong competitive edge and pushed it to Number 2 in perceptions in the suiting market. Even Sridevi made Cema bulbs and tubes memorable by dancing in a bulb! The advertisements by themselves were fairly non-descript; the celebrities gave the brand the differentiation. Celebrity advertising were few and far in between in those days. The days of ‘pure’ celebrity working for the brand seem to be over.

Today, it is back to the power of an idea and an insight. No simple solutions exist any longer. Unless there is something powerful in the idea, the celebrity is just another cost.

Aamir Khan and Coke is ultimate example of the same. As long as the brand depended on his star value and wove interesting stories around him, it just didn’t cut ice with the consumer – until ‘Thanda Matlab Coca-Cola’ happened.

1.11. Effective Celebrity Endorsement

The attributes of the celebrity should be intrinsically valuable and aligned with the product, brand and company. Figure 3 suggests strategies to be adopted by a company depending on its brand positioning and the brand fit with the celebrity.

- If the brand-celebrity attribute fit is slow, then the company should adopt “Eliminate or avoid” strategy. The consumers are unlikely to connect
between the brand and the celebrity, and the recall value is likely to be very low; defeating the entire purpose of signing the celebrity. This is what happened when Goodlass Nerolac Paints roped in Amitabh Bachchan as their brand ambassador.

- When the positioning of the brand is high but the fit with the celebrity is low, the company should adopt a “Monitor and evaluate” strategy. The company should continuously track the effectiveness of the celebrity endorsement through surveys, monitoring the sales, etc. Though Parker pens had a positioning of premier pens, the early advertisements with Amitabh Bachchan showed low brand-celebrity fit.

- When the positioning has not been effective, but the fit with the celebrity is high, the company should adopt the strategy of “Keep and enhance”. The company has to spot the opportunities to leverage the celebrity investment and to find more better and effective ways to communicate with the target audience. The celebrity attributes align with the company’s brand, strategic business objectives and primary consumer segment. The Narain Karthikeyan - J K Tyres relationship works well in this category.
In the ideal quadrant when the positioning effectiveness is high and celebrity fit with the brand is also high, the company should follow the strategy of “**Grow and partner**”. In case of Coke, the brand has firmly established the “Thanda” position in the minds of the consumer, with Aamir Khan playing the perfect role.

By situating potential celebrity on the matrix, companies can manage the celebrities as portfolios - re-distributing the resources and marketing efforts to those celebrities with the greatest potential to increase value, while eliminating those that prove too costly.
1.12. Selection of Celebrity

The advertisers use a variety of factors when selecting celebrity endorsers. The following appear to be the most important:

1. **Celebrity and audience match up.** Maybe the most primarily, the endorser must align well with the brand’s target market. The first question the advertisers must ask themselves is: Will the target market positively relate to this endorser? Kobe Bryant and other NBA stars that endorse basketball shoes match up well with the predominately teenage audience.

2. **Celebrity and brand match up.** The advertising executives require that the celebrity’s behaviour, values, and decorum are associated to the image desired for the advertised brand. For example, if a brand has a wholesome image or wants to project this particular attribute, then the celebrity endorser should personify wholesomeness.

3. **Celebrity credibility.** A celebrity’s credibility is basically the reason for choosing celebrity endorsement. People who are trustworthy and
perceived as knowledgeable about the product category are best able to convince others to agree to a special course of action. In other words, credibility is a key determinant of endorser effectiveness.

4. **Celebrity attractiveness.** When choosing a celebrity as a spokesperson, advertisers have to evaluate different aspects that can be lumped together under the general label “attractiveness”. Attractiveness is multifaceted and does not include just physical attractiveness; it is also subordinate in importance to credibility and the endorser match up with the audience and the brand.

5. **Cost considerations.** Another important consideration for the advertising agency is how much it will cost to acquire a celebrity’s service. If everything is held constant the company will select a less expensive celebrity over a more costly alternative. On the other hand everything is not held constant. Before choosing an expensive celebrity the company has to perform a cost-benefit analysis to determine whether a more expensive celebrity can be justified in terms of proportions because it is difficult to project the revenue stream that will be obtained from using a special celebrity endorser. The task is to calculate the returns on investments from a given range of celebrity that correlate with the desired image and its target market.

6. **Working ease and difficulty factors.** There are celebrities that are relatively easy to work with and there are celebrities who are difficult to
work with, stubborn, noncompliant, arrogant, temperamental, inaccessible, or otherwise unmanageable. Advertisement agencies would prefer to select a celebrity that is “hassle free” of dealing with people who are unwilling to flex their schedules, are hesitant to participate with a brand outside of celebrity-restricted bounds, or are otherwise difficult to work with.

7. **Saturation factor.** Another factor, maybe not so important, but it has to be mentioned and it is the number of other brand that the celebrity endorses. If a celebrity is overexposed, endorsing too many products, his or her perceived credibility may suffer.

8. **The trouble factor.** A final consideration for the company to have in mind is the evaluation of the likelihood that the celebrity will get into trouble when endorsing the brand. The risk that the celebrity may get into trouble is a matter or considers able concern to brand managers and ad agencies. What are the potential negative effects to the brand if the celebrity endorsing the brand gets convicted of a crime? There are no simple answers to this kind of questions, and researchers are just beginning to explore the issue in a sophisticated fashion.
1.13. Multiple Product and Multiple Celebrity Endorsements

Celebrity endorsement can be classified according to the number of products endorsed (Single product vs. Multiple products) or number of celebrities doing the endorsement (Single celebrity vs. Multiple celebrities). Single product endorsement refers to an endorsement by a celebrity for one product or one brand. Tripp, et al. (1994) posit that "single product endorsements constitute distinctive actions since the spokesperson endorses one brand and not other brands or products". Since over time celebrities are likely to endorse more than one product, single celebrity endorsement is rare.35

Multiple product endorsement refers to when a celebrity endorses more than one brand. According to Tripp et al., (1994), some celebrities are "shared" by different advertising firms, i.e., they promote more than one brand. When one becomes a celebrity, he or she will likely be tempted to endorse more than one brand for financial gain. Eg. Tendulukar36.

One might ask if this practice affects consumers' perceptions of the brands endorsed. Prior studies on multiple product endorsements (Mowen and

---


36 Ibid.
Brown 1981)\(^{37}\); Mowen, \textit{et. al} (1979)\(^{38}\) suggest that it does indeed negatively affect consumers' assessment of the endorser's trustworthiness, brand image and ad evaluations.

Based on attribution theory, Kelly (1973) contends that multiple product endorsers are evaluated less favourably than single product endorsers. Hence, multiple product endorsements precipitate differences in consumers' perceptions of the endorsers further suggest that "the number of products a celebrity endorses negatively influences consumers' perceptions of endorser credibility and likeability, as well as attitude toward the ad, and the number of exposures to the celebrity endorser has an impact on attitude toward the ad and purchase intention"\(^{39}\).

Multiple celebrity endorsement refers to the use of two or more celebrities in an advertising campaign (Hsu and McDonald, 2002). Multiple celebrity endorsement refers to an endorsement in which two or more


celebrities come together and endorse a product or brand in the same ad. It is a common advertising practice for a brand or product to be associated with various celebrities over a long period of time. Hsu and McDonald (2002) suggest that "multiple celebrity endorsement advertising may help the advertiser build a sense of consensus, avoid audience boredom and appeal to multiple audiences".

Sachin Tendulkar, for example, in 2002 endorsed 12 brands (including Pepsi, Boost, Colgate Total, Gillette, Britannia Tiger, Fiat Palio, TVS Victor, Fiat Sienna, MRF, Adidas, Visa Cards and Home Trade). Tripp et. al, says that the endorsement of as many as four products negatively influences the celebrity spokesperson’s credibility and likeability.

Figure 1.3: Multiple Brand Endorsement (Shah Rukh Khan)

Also, the use of multiple celebrities to endorse a brand may hinder the meaning transfer process, and thus, lead to confusion among the consumers.
1.14. Statement of the Problem

Markets are becoming ever more competitive, with new brands competing for a share of consumers’ hearts and minds. Building a relationship with consumers is a challenge facing all organisations. The consumers are highly experimental, and our only safe assumption is that their consumption habits will probably not follow on from those of preceding generations.

The perceptions and associations consumers have about brands go beyond their functional attributes and benefits, and include non-functional, symbolic qualities, often referred to as “brand image.” Among these aspects of brand image are perceptions and associations about the brand's “personality,” the “set of human-like characteristics associated with a brand”.

It is believed that consumers prefer those brands which, in addition to satisfying their functional needs and wants, also symbolize those personality
aspects that they find most congruent with their own actual or desired ("aspired to") personality associations. The perceived personality of a brand can be shaped by marketers via “transferring cultural meaning” into it in various ways, such as by associating the brand in communications with an endorser or place that already possesses the personality or meaning considered strategically desirable for that brand.

Brand personality serves as an effective consumer-organization communication tool. It allows an organization to identify consumers’ brand perceptions – even the hidden ones. Humanizing a brand empowers it to play a more central role in the consumer’s life, potentially enabling the consumer to project an aspect of his or her self that might be desirable for relationships he or she seeks or possibly even give him or her a sense of comfort at having found a brand that “fits” with his or her self concept.

Global companies have long understood the power and impact of associating popular personalities with their brand name and products. Most will agree that successful celebrities can make or break a new product launch, or even catapult a company into a new era of exponential revenues after a long drought of fading brand clout.

Celebrities play a key role in the brand and product marketing and promotional activities. The objective of endorsing the celebrities is to grow its
brand recall as it goes national in its distribution reach and fuel business growth. The primary role of the celebrity is to personify the values intrinsic to the brand and evoke the dreams associated with owning the product. As such, he or she must demonstrate a trend of increasing popularity and notoriety in the markets where the advertising and promotion will be visible in order to reach the projected target groups effectively.

Celebrities are people who enjoy public recognition and who often have distinctive attributes such as attractiveness and trustworthiness. Advertisers spend billions of dollars on celebrities in hopes that they will cut through the clutter of advertising and bring positive effects such as increased brand awareness and advertising recall, favourable attitudes toward the advertised brand and increased sales and profits. In addition, celebrity endorsements can also generate extensive effects on purchasing behaviour of consumers and provide an opportunity for the new brand be known to the public.

The importance of celebrity endorsers, however, does not lie in the fact that they are used by firms who wish to increase revenue, but in how these celebrities add value to a company, brand or product. The celebrities add value through the process of meaning transfer that celebrities develop a persona through the types of roles they play in society as well as how they are portrayed in the media.
Collectively, the culturally constituted society then assigns meaning to celebrities. When celebrities endorse a product, the meaning developed around a particular celebrity will – or at least it is hoped for by advertisers – transfer to a company, brand, or product. Thus, when a consumer identifies with a celebrity (identification occurs when a person is willing to accept influence from another person) he/she purchases the product in the hope of claiming some of these transferred meanings for their own lives.

Among the concerns in celebrity endorsement, single and multiple product endorsements by the celebrity have been a major issue. However, recent industry practice appears to be headed toward exploring various forms of multiple celebrity and product endorsement.

The effects of product endorsements by celebrities on consumers' attitudes and intentions, research in this area has not received significant attention especially in India and particularly in Tamil Nadu. In the similar vein, the study of impact of celebrity endorsed advertisement on consumers has been scarce to date in Tamil Nadu in general and Madurai in particular. Therefore, it is necessary to examine the impact of celebrity endorsed advertisement on consumers and celebrities endorsing in single and multiple products.
1.15. Objectives

1. To study the socio-economic features of the consumers.

2. To understand the awareness and recallness of consumers on celebrity endorsement and their impact on consumers’ purchase.

3. To ascertain matching of celebrity with advertisement and extent of brand image created through celebrity endorsement.

4. To analyse the comparison of celebrity advertisement and non celebrity advertisement.

5. To study the effects of multiple product endorsement by celebrities on consumers’ purchase.

6. To suggest appropriate strategies and policy implications for improving the behaviour of consumer for celebrity endorsed products.

1.16. Hypothesis

1. There is no relationship between matching qualities of celebrities and advertisements.

2. There is no significant difference between brand features and perceptions of the consumers.

3. There is no significant variation in the personalities of celebrities in advertisements.
4. There is no significant difference in appearance of celebrities and non-celebrities in the advertisements.

5. There is no significant influence of attitudes in the purchasing behaviour of the consumers due to celebrities’ endorsements.

6. There is no relationship among purchasing intentions due to advertisement and celebrities.

1.17. Research Design

A research design is a framework or blueprint for conducting research. It details the procedures necessary for obtaining the required information and its purpose is to design a study that will test the hypothesis of interest, determine possible answers to the research questions, and provide the information needed for decision making. The present study employs descriptive research in the form of a survey undertaken to quantify the salience of the impact of celebrity endorsed advertisements on the consumers.

1.18. Selection of Study Area

Madurai city is selected for the present study since the most important trading centre in South Tamil Nadu.
1.19. Sampling Procedure

Among the different cities in Tamil Nadu, the Madurai city is purposively selected for the present study since the Madurai city is the most important market for South Tamil Nadu. Based on the information access and exposure, the Madurai urban is again purposively selected. The respondents were selected by adopting multi-stage random sampling technique.

1.20. Sample Size

The respondents were interviewed through direct interview method and the sample size is 500.

1.21. Sources of Data

1.21.1. Primary Source

The data and information were collected through well-structured interview schedules and it is pre-tested and filed level survey has conducted. Hence, the present study is carried out from the primary data source.

1.21.2. Secondary Source

The data are collected from various journals, magazines, newspapers, websites and reports.
1.22. Period of the Study

The present study has undertaken during the year 2008-10. The data and information collected pertains to the year 2009-2010.

1.23. Statistical Techniques

1.23.1. Descriptive Statistics

In order to understand the socio-economic conditions of consumers, celebrity endorsed products and frequency of purchase, the descriptive statistics, percentage analysis and frequency distribution are worked out.

1.23.2. Weighted Mean Score

The matching qualities of celebrity and advertisement, perceptions about a brand, consumers’ attitudes for buying behaviour based on celebrities in the advertisement and purchase intention due to celebrities and advertisements are analyzed by calculating weighted mean score and the formula for the same is presented below:

\[
\text{Weighted Average} = \frac{\sum wx}{\sum w}
\]

Where

\(x\) = Score of attributes

\(w\) = weightage
1.23.3. Analysis of Variance (ANOVA)

In order to examine the differences in variation among the personalities of celebrities in advertisement and attitudes influencing the purchasing behavior of consumers based on celebrity in advertisement, the analysis of variance (ANOVA) has been employed and the formula is:

\[ F = \frac{\text{Variance between Samples}}{\text{Variance within Samples}} \]

i.e. \( F = \text{Greater variance} / \text{Smaller variance} \)

1.23.4. Spearman’s Rank Order Correlation

In order to identify the relationship between matching qualities of celebrities and advertisement and purchasing intentions due to celebrity and advertisement, the Spearman’s rank order correlation was worked out and the formula is:

\[ r = 1 - \left( \frac{6 \sum d^2}{n(n^2-1)} \right) \]

Where,
\[ d = \text{Difference in Ranks} \]
\[ n = \text{Number of Pairs}. \]
1.23.5. Chi-Square Test

In order to study the differences between brand features and perception of the consumers, the Chi-Square Test has been employed and the formula is:

\[ \chi^2 = \sum \left( \frac{(O - E)^2}{E} \right) \]

Where

\( O \) = Observed Frequency in each category

\( E \) = Expected Frequency in the corresponding category

\( \text{d.f} = \) Degree of Freedom (n-1)

\( \chi^2 = \) Chi Square

1.23.6. Factor Analysis

In order to identify the factors determining the celebrity in advertisement and attitudes influencing the buying behaviour of consumers based on celebrity in advertisement, the factor analysis has been employed with principal component extraction with varimax rotation. To assess the internal consistency of scale “Coefficient of Internal Consistency (Cronbach alpha) has been computed.

The primary objectives of an Exploratory Factor Analysis (EFA) are to determine

1. The number of common factors influencing a set of measures.
2. The strength of the relationship between each factor and each observed measure.

Some common uses of EFA are to

- Identify the nature of the constructs underlying responses in a specific content area.
- Determine what sets of items hang together in a questionnaire.
- Demonstrate the dimensionality of a measurement scale.
- Determine what features are most important when classifying a group of items.
- Generate factor scores representing values of the underlying constructs for use in other analyses.

**Performing Exploratory Factor Analysis (EFA)**

There are seven basic steps to performing an EFA:

1. Collect measurements.

2. Obtain the correlation matrix.

3. Select the number of factors for inclusion. If you have $k$ measures, then you can at most extract $k$ factors. There are a number of methods to determine the optimal" number of factors by examining your data.
The *Kaiser criterion* states that a number of factors equal to the number of the eigen values of the correlation matrix that are greater than one and then use a number of factors equal to the number of eigen values that occur prior to the last major drop in eigen value magnitude.

4. Extract initial set of factors. The correlations or co variances should submit into a computer program to extract factors. There are a number of different extraction methods, including maximum likelihood, principal component, and principal axis extraction. The best method is generally maximum likelihood extraction, unless you seriously lack multivariate normality in your measures.

5. Rotate factors to a final solution. For any given set of correlations and number of factors there are actually an infinite number of ways that it can define factors and still account for the same amount of covariance in the measures. Some of these definitions, however, are easier to interpret theoretically than others. By rotating factors, it is attempted to find a factor solution that is equal to that obtained in the initial extraction but which has the simplest interpretation.

There are many different types of rotation. There are two major categories of rotations, *orthogonal rotations*, which produce uncorrelated
factors, and oblique rotations, which produce correlated factors. The best orthogonal rotation is widely believed to be Varimax. Oblique rotations are less distinguishable, with the three most commonly used being Direct Quartimin, Promax, and Harris-Kaiser Orthoblique.

6. Interpret factor structure. Each of the measures will be linearly related to each of your factors. The strength of this relationship is contained in the respective factor loading, produced by your rotation. This loading can be interpreted as a standardized regression coefficient, regressing the factor on the measures.

7. Construct factor scores for further analysis. In order to perform additional analyses using the factors as variables, it will need to construct factor scores. The score for a given factor is a linear combination of all of the measures, weighted by the corresponding factor loading. Sometimes factor scores are idealized, assigning a value of 1 to strongly positive loadings, a value of -1 to strongly negative loadings, and a value of 0 to intermediate loadings. These factor scores can then be used in analyses just like any other variable, although it should remember that they will be strongly collinear with the measures used to generate them.
Factor Analysis vs. Principal Component Analysis

- Exploratory factor analysis is often confused with principal component analysis (PCA), a similar statistical procedure. However, there are significant differences between the two: EFA and PCA will provide somewhat different results when applied to the same data.

- The purpose of PCA is to derive a relatively small number of components that can account for the variability found in a relatively large number of measures. This procedure, called *data reduction*, is typically performed when a researcher does not want to include all of the original measures in analyses but still wants to work with the information that they contain.

- Differences between EFA and PCA arise from the fact that the two are based on different models. The first difference is that the direction of influence is reversed: EFA assumes that the measured responses are based on the underlying factors while in PCA the principal components are based on the measured responses. The second difference is that EFA assumes that the variance in the measured variables can be decomposed into that accounted for by common factors and that accounted for by unique factors. The principal components are defined simply as linear combinations of the measurements, and so will contain both common and unique variance.
1.23.7. Logit Regression Model

In order to analyze appearance of celebrities and non celebrities in the advertisement, the binary logit regression model was employed and the functional form of logit model is given below:

\[ \ln(ODDS) = \ln\left( \frac{\hat{Y}}{1-\hat{Y}} \right) = a + bX \]

Where,

\( \hat{Y} \) = The Predicted Probability of the Event which is coded with 1 (Celebrity) rather than with 0 (Non-celebrity).

\( 1 - \hat{Y} \) = The Predicted Probability of the other decision.

\( X_i \) = Predictor variables.

The variables in the logit model are:

\( Y = \text{Celebrity}=1 \) and \( \text{Non-Celebrity}=0 \)

\( X_1 = \text{Exciting} \)

\( X_2 = \text{Interesting} \)

\( X_3 = \text{Appealing} \)
\[ X_4 = \text{Needed} \]
\[ X_5 = \text{Relevant} \]
\[ X_6 = \text{Important} \]
\[ X_7 = \text{Like} \]
\[ X_8 = \text{Favourable} \]
\[ X_9 = \text{Positive} \]
\[ X_{10} = \text{Credible} \]
\[ X_{11} = \text{Effective} \]
\[ X_{12} = \text{Informative} \]
\[ X_{13} = \text{Meaningful} \]

Where
\[ a = \text{Intercept} \]
\[ X_i = \text{Regression Coefficients} \]

The \( a \) and \( b_i \) are the coefficients which are to be estimated.

### 1.24. Significance of the Study

The present study mainly focuses on impact of celebrity endorsed advertisement on the consumers of Madurai city. The level of awareness and recall level of consumers on celebrity endorsement and their impact on consumer preferences would be helpful to assess the awareness levels of consumers’ about celebrity, celebrity endorsement, marketing strategies and its
impact on purchasing behaviour of the consumers. The celebrity association with advertisement would be helpful to understand the suitability of celebrities for the advertisements and their influence on the purchasing pattern and loyalty of the consumers.

The brand image created on products through celebrity advertisement would be helpful to examine the brand image creation and product penetration in the market. The comparison of celebrity and non celebrity advertisement would be useful to know the effectiveness of celebrity advertisements for product promotion and strategies for market expansion and also explore the potentialities. The effects of multiple product endorsement by celebrities would be helpful to know the attitudes of the consumers and its impact and interactions in purchasing decision making process and also for formulation of strategies and policies for improving the purchasing behaviour of the consumers

1.25. Limitations

The present study is based on the primary data collected from the general public in Madurai city. Hence, the drawbacks and limitations of the field level survey are very much applicable to the present research. The findings and recommendations may not be applicable to other environments. The data and information collected from the respondents are subjected to recall bias.
1.26. Organization of Thesis

The *first chapter* deals with the introduction, statement of the problem, objectives, hypotheses, research design, significance and limitations of the study.

The review of literature is presented in the *second chapter*.

The third chapter deals with theories of celebrity endorsement.

The *fourth chapter* deals with socio economic features and awareness of consumers on celebrity endorsement.

The celebrity, advertisement and purchasing behaviour is presented in the *fifth chapter*.

The *sixth chapter* comprises of summary, conclusion and recommendations.