

Impact of Celebrity Endorsements on Advertisement Effectiveness & Purchase Decision Among Youths

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ABSTRACT

Celebrity endorsement advertising is a ubiquitous feature of modern marketing. Advertisements featuring a celebrity make a strong impact on the learning and memory of consumers which is very vital for the successful marketing communication. Celebrity endorsement makes the advertisement lively, attractive, interesting, and attention grabbing. Research has indicated that celebrity endorsements are effective and use of celebrities in advertisements can have a positive influence on the credibility, message recall, memory and likeability of the advertisements, and finally on purchase intentions. The present study focuses on understanding the impact of celebrity endorsements on advertisement effectiveness & purchase decisions among Indian youth. With a sample size of 212, the data was collected using a closed ended questionnaire. The survey was carried out in Indore city (in central India) during November–December, 2016. Celebrity endorsements were found to be effective in changing brand image, new brand promotion, brand appeal & perceived brand quality, and purchase decisions, but not very effective in increasing brand credibility.

Keywords: Celebrity Endorsement, Brand Image, New Brand Promotion, Brand Appeal, Perceived Brand Quality, Purchase Decisions

INTRODUCTION

Celebrities are well-known and famous personalities who enjoy public recognition among a large group of people and possess distinctive qualities like attractiveness and trustworthiness (Silvera & Austad, 2004). Celebrity endorsement is defined as an advertisement in which any individual who enjoys public recognition uses this recognition on behalf of a consumer good by appearing in it (McCracken, 1989). Celebrity endorsed advertising is a significant feature of modern marketing and has become a comprehensive element of advertising industry especially in India. Almost all kinds of products and services from FMCG to consumer durables and tourism to banking services are being endorsed by celebrities. Celebrity endorsements offer various advantages like increased attention, image polishing, brand introduction, and brand repositioning. Advertisers prefer celebrity endorsement because of its greater benefits and immense possible influence. Celebrities endorsed advertisements draw more attention as compared to those of non-celebrity

ones and helps the company in re-positioning its product/brand. Marketers use celebrity endorsers to influence the purchase decision of consumers in order to increase their sales and extend their market shares. Celebrity endorsement has become a common practice in order to differentiate the product from other competing brands in a highly competitive environment (Erdogan, 1999). Many big brands have recognised the importance of celebrity endorsements as marketing communication tool (Soderlund, 2003) and hence celebrity endorsements is a billion dollar industry in today's era (Kambitis, Yvonne, Nicholas, & Giannis, 2002). Marketers spend huge amount of money on celebrity endorsement contracts annually (Katyal, 2007) which vindicates that celebrities play an important role in the advertising industry. However, celebrity endorsement doesn't always guarantee success. It also presents potential hazards like overshadowing, overexposure, and controversy (Erdogan, 1999). Negative publicity, scandals or immoral behaviours of celebrities can have adverse effect on the image of the endorsed brand.

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Since the effectiveness of celebrity endorsement is inconclusive, the present study focuses on the impact of celebrity endorsements on effectiveness of advertisement and purchase decisions among Indian youth. The paper is organised as follows. After this introduction section, the second section is literature review followed by research methodology. The fourth section presents data analysis and the final section presents conclusions of the study.

LITERATURE REVIEW

Celebrity endorsement is a commonly used marketing communication strategy (Erdogan, 1999). There is much research done on the effectiveness of celebrity endorsements. Most of the research revealed that celebrity endorsements are effective (Dean & Biswas, 2001; Atkin & Block, 1983). The positive image that the celebrities create among consumers can make the advertisement message more persuasive (Choi & Rifon, 2007). Celebrities have the potential of helping the advertisements stand out from the surrounding clutter, guiding towards an improved communicative ability by cutting through excess noise in a communication process (Sherman, 1985). The products endorsed by celebrities help them to stand out and enjoy improved level of product recall (Bowman, 2002). Advertisements featuring a celebrity make a strong impact on the learning and memory of consumers which is very vital for the successful marketing communication. The information stored in the minds of the consumers is easily retrieved at the time of shopping or when the need arises (Schultz & Barnes, 1995).

Celebrity endorsement has emerged as a powerful tool through which advertisers try to leverage the image and identification of the celebrity to promote a product or company (Atkin & Block, 1983) which makes the advertisement lively, attractive, interesting and attention grabbing (Ohanian, 1991; Kamins, 1990) because consumers take the celebrity as if the latter is a role model. Advertisements featuring celebrity produce more positive attitudes towards advertising and greater purchase intentions as compared to non-celebrity endorsed advertisements (Atkin & Block, 1983). A study done by McCracken (1989) found that a celebrity gives a form of cultural meaning which gets transformed into brand association which improves the consumer's opinion of the advertised brand. Biswas, Hussain, and O'Donnell (2009) found that the reasons for recalling celebrities included popularity, status symbol, attractiveness and

glamour, likeability and recall value or familiarity of the celebrities.

Celebrity endorsement is increasing in India because advertisers have realised that using publicly renowned personalities in advertisements will help them to align brand personality with that of the celebrity. The use of celebrities is believed to help consumers remember the message of the advertisement and the brand name the celebrity is endorsing, enables to create the personality of a brand because when a celebrity is paired with a brand, this image helps shape the image of that brand in the minds of consumers (Agrawal & Kamakura, 1995). Advertisers look for a proper match between the celebrity personality and product attributes. The similarity of features between the celebrity and product targets the senses of the customer more positively and leads to favourable perceptions about the brand. Celebrity likeability and congruence between endorser and the endorsed brand influence predisposition towards the advertisements, which in turn affect attitude toward the brand purchase intention (Fleck *et al.*, 2012). Strong, unique, and favourable brand association help companies differentiate their products from those of competitors and thus enjoy a competitive advantage (Aaker, 1991; Krishnan, 1996). Advertising employing celebrity endorsers are very popular among brand managers (Amos, Holmes, & Strutton, 2008). They choose those celebrities for endorsing their products who are not only attractive (Baker & Churchill Jr, 1977) but credible as well (Sternthal & Dholakia, 1978). Together these aspects leave a comprehensive impact upon the customers.

Kaikati (1987) has identified five advantages of celebrity endorsement: drawing attention, crisis management, brand repositioning, global marketing, and boosting sales. Research has concluded that the use of celebrities in advertisements can have a positive influence on the credibility of brand, message recall, memory and likeability of the advertisements and finally on purchase intentions (Pornpitakpan, 2003; Pringle & Binet, 2005; Roy, 2006). Pope, Voges and Brown (2009) found that celebrities positively affect consumer's perception of a brand's quality and image. Products may be of inferior quality or have fewer features but can benefit from using a high profile celebrity to pitch them to consumers. Erdogan (1999) in his study found that using celebrity can help in the image polishing and help in restoring its tarnished company's image.

There are many risks involved in using celebrity endorsements. Negative information or publicity, sudden change in image, drop in popularity, moral issues, losing credibility by over endorsing, or overshadow endorsed products can have serious consequences on brand image of the endorsed products (Cooper, 1984; Kaikati, 1987; Klebba & Unger, 1982; Till & Shimp, 1995) and may also ruin the brand reputation (Till, 1996). Companies have faced serious embarrassment when their celebrity endorsers had involvement in controversies (Erdogan, 1999). Overshadowing occurs when many other stimuli compete to form a link with the celebrity endorser (Till, 1996) which leads to lack of clarity in the consumer's mind (Evans, 1998). Sometimes the glamour and popularity of the celebrity overshadows brand and product features and the consumers fail to focus their attention on the brand & the product (Rossiter & Percy, 1987; Erdogan, 1999). Another very common problem related to celebrity endorsement is overexposure. Overexposure occurs

when a celebrity endorses many brands. In India, every major company wants to hire highly demanded and well recognised celebrity endorsers which results in making the consumer more confused and unable to recall correctly as to which brand the celebrity stands for (Tripp, Jensen & Carlson, 1994; Mowen & Brown, 1981).

RESEARCH METHODOLOGY

The objectives of the study are:

1. To determine whether the customers find celebrity endorsed advertisements more appealing than non-celebrity endorsed advertisements.
2. To determine the impact of celebrity endorsed advertisements on brand image, brand appeal & perceived brand quality among customers.
3. To determine the impact of celebrity endorsed advertisements on purchase decision of young customers.

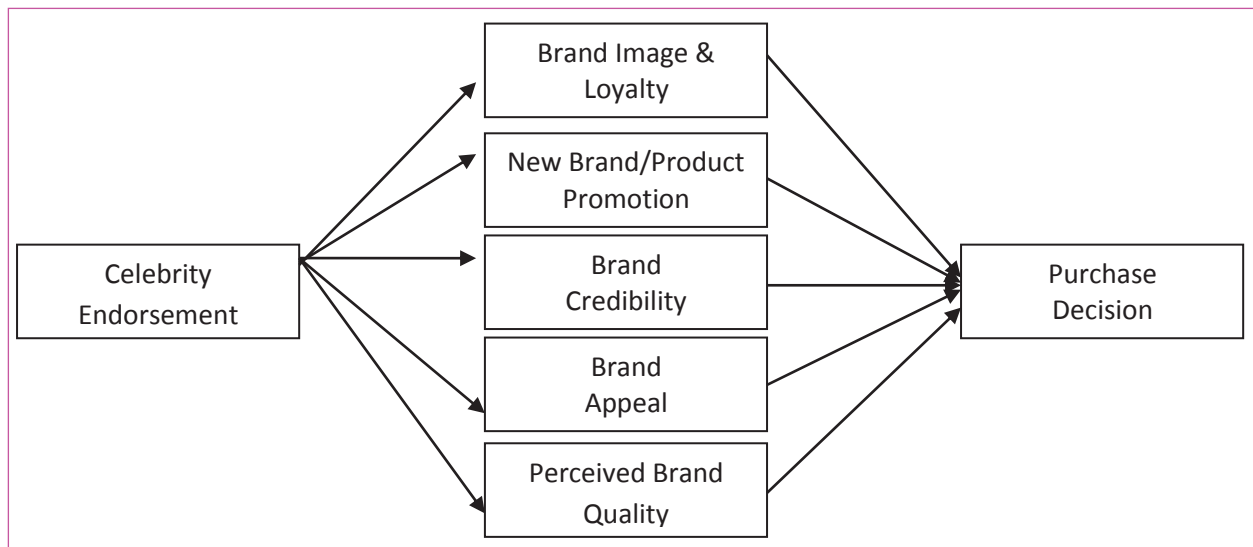


Fig. 1: Conceptual Framework of the Study

The study employs primary data collected by communicating with the respondents with the help of a structured closed ended questionnaire. The instrument was divided in two parts. The first part was aimed at gathering data regarding the perception of the youth about effectiveness of celebrity-endorsed advertisement and whether they have an impact on purchase decisions. It had 18 items/ statements. The responses were collected on a five-point Likert scale (5- strongly agree; 1- strongly disagree). Through the second part of the

questionnaire, demographic details of the respondents – gender, age, education qualifications and occupation were collected. Before undertaking the survey, pilot survey was undertaken with 40 respondents and their views/ suggestions were incorporated in the final questionnaire which was administered to 300 respondents aged 16 to 35 years out of which 250 filled questionnaires were received. After removing questionnaires which had some missing responses, the final sample size of 212 was considered for further analysis. The survey was carried out in Indore city

(in central India) during November-December, 2016. The study employed non-probabilistic convenient sampling.

The analysis of data was carried out using Statistical Package for the Social Sciences (SPSS) 20.0 for Windows. Factor analysis is used to identify factors affecting advertisement effectiveness of celebrity endorsements. Correlation analysis is used to study the association between brand characteristics and purchase decisions and regression analysis is used to establish relationship between brand characteristics and purchase decisions.

DATA ANALYSIS

Demographic Details of the Respondents

Demographic characteristics of the respondents are given in Table 1. The sample had 114 males and 98 females. They were all aged between 16 and 35 years with maximum 118 students in the age group of 18-24 years. 96 respondents were graduates and rest were postgraduates. 127 respondents were students, 36 were salaried, 24 were self-employed, and 25 were housewives.

Table 1: Demographic Details of Respondents

		<i>Frequency</i>	<i>Percent</i>	<i>Cumulative Percent</i>
Gender	Male	114	53.8	53.8
	Female	98	46.2	100.0
	Total	212	100.0	
Age	16- 18 years	32	15.1	15.1
	18-24 years	118	55.7	70.8
	24-30 years	47	22.2	92.9
	30-35 years	15	7.1	100.0
	Total	212	100.0	
Education	Graduate	96	45.3	45.3
	Post Graduate	116	54.7	100.0
	Total	212	100.0	
Occupation	Student	127	59.9	59.9
	Service	36	17.0	76.9
	Business	24	11.3	88.2
	Housewife	25	11.8	100.0
	Total	212	100.0	

Factor Analysis

Principal component factor analysis with Varimax rotation was used to analyse the factors affecting effectiveness of celebrity endorsement and purchase decision. Retaining only the factors that have Eigen values exceeding 1, six factors emerged. These factors accounted for 63.74% of variance. The factors identified and their factor loadings are given in Table 2. Factor loading represents the weights and correlation between each variable and the factor. High load signifies that the factor is more relevant (Cooper & Schindler, 2006). The factors were labeled as 1) brand image & loyalty, 2) new brand/ product promotion, 3) brand credibility, 4) brand appeal, 5) perceived brand

quality, and 6) purchase decision. 17 items of the questionnaire have factor loading of more than 0.5 and only one (often buy celebrity endorsed product) had a loading of 0.456 but all of them are included in the study and subjected to further analysis. Factors identified are discussed below:

Brand Image & Loyalty

This factor emerged as the most important factor explaining 15.751% of the variance. This factor suggests that celebrity endorsements are effective in changing brand image (0.804), increasing brand loyalty (0.734), motivating brand switch (0.789), and reinforcing brand image (0.628).

New Brand/ Product Promotion

This factor explains 11.010% of the variance. It includes items: celebrity-endorsed advertisements are effective in promoting new product (0.850), new brand (0.735), and increasing sales (0.641).

Brand Credibility

It is the third most important factor and explains 10.590% of variance. It includes statements such as celebrity endorsements are trustworthy (0.750), informative (0.588), and believable (0.538).

Brand Appeal

It explains 8.554% of variance and comprises celebrity-endorsed advertisements are interesting (0.859), attention grabbing (0.856), and good (0.751).

Perceived Brand Quality

Approximately 8% of variance is explained by this factor. Items included are: celebrity-endorsed products are of good quality (0.521) and celebrity endorsements are assurance of good quality (0.533).

Purchase Decision

It explains 9.776% variance. This factor includes items like celebrity endorsements motivate to buy product (0.528), have positive influence on purchase decision (0.508), and often buy celebrity endorsed products (0.456).

Table 2: Results of Factor Analysis

<i>Factor</i>	<i>Eigen Value</i>	<i>% variance</i>	<i>Variable & Questionnaire items</i>	<i>Factor Loading</i>
Brand image & loyalty	2.676	15.751%	Celebrity endorsed advertisements are effective in changing Brand Image	0.804
			Celebrity endorsed advertisements are effective in increasing Brand Loyalty	0.734
			Celebrity endorsed advertisements are effective in motivating Brand Switch	0.789
			Celebrity endorsed advertisements are effective in reinforcing Brand Image	0.628
New brand/ product promotion	1.872	11.010%	Celebrity endorsed advertisements are effective in promoting new product	0.850
			Celebrity endorsed advertisements are effective in promoting new Brand	0.735
			Celebrity endorsed advertisements are effective in increasing sales	0.641
Brand credibility	1.801	10.590%	Celebrity endorsed advertisements are trustworthy	0.750
			Celebrity endorsed advertisements are informative	0.588
			Celebrity endorsed advertisements are believable	0.538
Brand appeal	1.461	8.554%	Celebrity endorsed advertisements are interesting	0.859
			Celebrity endorsed advertisements are attention grabbing	0.856
			Celebrity endorsed advertisements are good	0.751
Perceived brand quality	1.370	8.060%	Celebrity endorsed products are good quality	0.521
			Celebrity endorsements are assurance of good quality	0.533

Factor	Eigen Value	% variance	Variable & Questionnaire items	Factor Loading
Purchase decision	1.662	9.776%	Celebrity endorsed advertisements motivate me to buy the product	0.528
			Celebrity endorsement has positive influence on purchase decision	0.508
			I often buy Celebrity endorsed products	0.456

Effectiveness of Celebrity Endorsement in Brand Image & Loyalty

The results of the analysis are given in Table 3. The results clearly indicates that celebrity endorsements are effective in changing brand image as 58.5% of the respondents have

either agree or strongly agreed with the statement and the mean (3.5849) is also greater than 3. Similarly, celebrity endorsements were found to be effective in reinforcing brand image (mean - 3.8491), increasing brand loyalty (mean - 3.4811), and motivating brand switch to endorsed brand (mean - 3.5943).

Table 3: Effectiveness of Celebrity Endorsement in Brand Image & Loyalty

Statement	Strongly Agree	Agree	Neither Agree Nor Disagree	Disagree	Strongly Disagree	Mean	Standard Deviation
Celebrity-endorsed advertisements are effective in changing brand image.	28 (13.2%)	96 (45.3%)	66 (31.1%)	16 (7.5%)	6 (2.8%)	3.5849	.91193
Celebrity-endorsed advertisements are effective in reinforcing brand image.	52 (24.5%)	100 (47.2%)	40 (18.9%)	16 (7.5%)	4 (1.9%)	3.8491	.94184
Celebrity-endorsed advertisements are effective in increasing brand loyalty	28 (13.2%)	80 (37.7%)	76 (35.8%)	22 (10.4%)	6 (2.8%)	3.4811	.94624
Celebrity-endorsed advertisements are effective in motivating brand switching to endorsed brand	28 (13.2%)	104 (49.1%)	48 (22.6%)	30 (14.2%)	2 (0.9%)	3.5943	.92135

Effectiveness of Celebrity Endorsement in New Brand/Product Promotion

The analysis shows that celebrity endorsements are highly effective in promoting new brand (mean - 4.1887), new

product (mean - 4.1415), and increasing sales (mean - 4.1226). 87.7%, 85.8% and 83% of the respondents either agree or strongly agree with the statements respectively. The results of analysis are summarised in Table 4.

Table 4: Effectiveness of Celebrity Endorsement in New Brand/Product Promotion

Statement	Strongly Agree	Agree	Neither Agree Nor Disagree	Disagree	Strongly Disagree	Mean	Standard Deviation
Celebrity-endorsed advertisements are effective in promoting new brand.	70 (33.0%)	116 (54.7%)	18 (8.5%)	2 (0.9%)	6 (2.8%)	4.1887	0.86109
Celebrity-endorsed advertisements are effective in promoting new product.	84 (39.6%)	98 (46.2%)	24 (9.4%)	6 (2.8%)	4 (1.9%)	4.1415	0.83113
Celebrity-endorsed advertisements help in increasing sales.	82 (38.7%)	94 (44.3%)	20 (9.0%)	12 (5.7%)	4 (1.9%)	4.1226	0.93081

Effectiveness of Celebrity Endorsement in Brand Credibility

Celebrity endorsements are not very effective in increasing brand credibility. Only 20.7% of the respondents agreed that celebrity-endorsed advertisements are believable,

while only 26.4% respondents agreed that they are trustworthy. However, the respondents were in agreement that such advertisements are informative with 51.9% agreeing with the statement. The means were found to be 2.9717, 2.9057 and 3.4340 respectively. Table 5 shows the results of analysis.

Table 5: Effectiveness of Celebrity Endorsement in Brand Credibility

<i>Statement</i>	<i>Strongly Agree</i>	<i>Agree</i>	<i>Neither Agree Nor Disagree</i>	<i>Disagree</i>	<i>Strongly Disagree</i>	<i>Mean</i>	<i>Standard Deviation</i>
Celebrity-endorsed advertisements are believable.	10 (4.7%)	34 (16.0%)	112 (52.8%)	52 (24.5%)	4 (1.9%)	2.9717	.81987
Celebrity-endorsed advertisements are informative.	18 (8.5%)	92 (43.4%)	68 (32.1%)	32 (15.1%)	2 (0.9%)	3.4340	.88182
Celebrity-endorsed advertisements are trustworthy.	6 (2.8%)	50 (23.6%)	88 (41.5%)	54 (25.5%)	14 (6.6%)	2.9057	.92903

Effectiveness of Celebrity Endorsement in Brand Appeal

Table 6 presents summary of the analysis. The analysis suggests that celebrity-endorsed advertisements are

appealing as 74.6% of the sample found them good (mean - 3.8113), 61.3% found them interesting (mean - 3.5755), and 72.6% found them attention grabbing (mean - 3.8113).

Table 6: Effectiveness of Celebrity Endorsement in Brand Appeal

<i>Statement</i>	<i>Strongly Agree</i>	<i>Agree</i>	<i>Neither Agree Nor Disagree</i>	<i>Disagree</i>	<i>Strongly Disagree</i>	<i>Mean</i>	<i>Standard Deviation</i>
Celebrity-endorsed advertisements are good.	30 (14.2%)	128 (60.4%)	40 (18.9%)	12 (5.7%)	2 (.9%)	3.8113	.78024
Celebrity-endorsed advertisements are interesting.	22 (10.4%)	108 (50.9%)	54 (25.5%)	26 (12.3%)	2 (.9%)	3.5755	.87024
Celebrity-endorsed advertisements are attention grabbing.	46 (21.7%)	108 (50.9%)	36 (17.0%)	14 (6.6%)	8 (3.8%)	3.8019	.97766

Effectiveness of Celebrity Endorsement in Perceived Brand Quality

Celebrity endorsements are effective in making people perceive that endorsed products are of better quality. The results of the analysis as given in Table 7, demonstrate that

46.2% of the respondents agree that such products are of better quality (mean – 3.2358) while 49% of respondents agree that presence of a celebrity in advertisement is assurance of good product quality (mean - 3.3584).

Table 7: Effectiveness of Celebrity Endorsement in Perceived Brand Quality

<i>Statement</i>	<i>Strongly Agree</i>	<i>Agree</i>	<i>Neither Agree Nor Disagree</i>	<i>Disagree</i>	<i>Strongly Disagree</i>	<i>Mean</i>	<i>Standard Deviation</i>
Celebrity-endorsed products are of better quality.	18 (8.5%)	80 (37.7%)	58 (27.4%)	46 (21.7%)	10 (4.7%)	3.2358	1.00308
Celebrity endorsements are assurance of good quality.	28 (13.2%)	76 (35.8%)	70 (33.0%)	20 (9.4%)	18 (8.5%)	3.3584	.95641

Effectiveness of Celebrity Endorsement in Purchase Decision

The results of analysis to study the effectiveness of celebrity endorsement on purchase decision of individuals are given in Table 8. 44.3% respondents agreed that presence of celebrity influences their purchase decision

(mean - 3.1698) while 51.9% of them agreed that they are motivated to buy a product endorsed by celebrity (mean - 3.3679). However, only 21.7% of the respondents agreed that they often buy celebrity endorsed products (mean - 2.7358). The results suggest that though celebrity endorsement motivates people to buy the product it does not necessary result in purchase.

Table 8: Effectiveness of Celebrity Endorsement in Purchase Decision

<i>Statement</i>	<i>Strongly Agree</i>	<i>Agree</i>	<i>Neither Agree Nor Disagree</i>	<i>Disagree</i>	<i>Strongly Disagree</i>	<i>Mean</i>	<i>Standard Deviation</i>
I often buy celebrity-endorsed products.	4 (1.9%)	42 (19.8%)	76 (35.8%)	74 (34.9%)	16 (7.5%)	2.7358	.92672
Presence of celebrity influences purchase decision.	10 (4.7%)	84 (39.6%)	70 (33.0%)	28 (13.2%)	20 (9.4%)	3.1698	1.03468
Celebrity-endorsed advertisements motivate to buy product.	24 (11.3%)	86 (40.6%)	58 (27.4%)	32 (15.1%)	12 (5.7%)	3.3679	1.05152

CORRELATION ANALYSIS

To study whether the factors like brand image & loyalty, new brand/ product promotion, brand credibility, brand appeal, and perceived brand quality affect purchase decision of individuals, correlation analysis was done. Correlation between different factors and purchase

decision were determined which are presented in Table 9. Correlation between purchase decision and brand image & loyalty, brand credibility, and perceived brand quality were found to be significant at 1% which leads to interpretation that brand image, brand credibility and perceived brand quality significantly influence purchase decisions of individuals.

Table 9: Results of Correlation Analysis

<i>Variable</i>	<i>Mean</i>	<i>Standard Deviation</i>	<i>Correlation with Purchase Decision</i>	
			<i>Pearson Correlation</i>	<i>Sig</i>
Brand image & loyalty	14.5094	2.83260	0.411	.000**
New brand/ product promotion	12.4528	2.05208	0.090	.194
Brand credibility	9.3113	1.75442	0.301	.000**
Brand appeal	11.1887	1.77989	0.006	.930
Perceived brand quality	6.4905	0.99790	0.186	.007**
Purchase decision	9.2736	2.20956	1.000	

**Correlation is significant at the 0.01 level (2-tailed).

Regression Analysis

Regression analysis was done taking purchase decision as dependent variable and brand image & loyalty, new brand/ product promotion, brand credibility, brand appeal, and perceived brand quality as independent variables. Table 10 shows results of regression analysis. The ANOVA table (Table 11) gives sig. 0.00 which means the model is significant at 1%. The R² value of 0.712 indicates that 71.2% of the total variation in dependent variable (purchase decision) is explained by the study model, which is satisfactory. Sig. value indicates whether the particular variable makes a significant impact on the dependent variable. The sig. values for the variables brand image and loyalty and brand credibility were less than 0.01 (0.00, 0.00) suggesting that these variables are significant at 1%. The high sig. values for the variables

new brand/ product promotion, brand appeal & perceived brand quality indicate that these variables do not have significant impact on purchase decision and brand loyalty. The standardised coefficients (beta) values in the model represent the change in dependent variable for a unit change in the independent variable. For example, brand image & loyalty variable has a beta value of 0.375 which means that a change of 1 unit in the brand image & loyalty (independent variable) has a positive change of 0.375 in purchase decision (dependent variable). The higher the value of beta, the higher is the impact of the variable on dependent variable. The results indicate that brand image & loyalty has the most significant impact on brand loyalty followed by brand credibility. The regression equation can be written as:

$$\text{Purchase Decision} = 2.034 + 0.292 (\text{Brand Image \& Loyalty}) + 0.305 (\text{Brand Credibility})$$

Table 10: Results of Regression Analysis

<i>Model</i>	<i>Unstandardised Coefficients</i>		<i>Standardised Coefficients</i>	<i>t</i>	<i>Sig.</i>
	<i>B</i>	<i>Std. Error</i>	<i>Beta</i>		
(Constant)	2.034	1.368		1.487	.138
Brand image & loyalty	.292	.051	.375	5.734	.000**
New brand/ product promotion	.001	.071	.001	.010	.992
Brand credibility	.305	.083	.242	3.690	.000**
Brand appeal	-.011	.078	-.009	-.142	.887
Perceived brand quality	.090	.146	.040	.614	.540
R					0.844 ^a
R ²					0.712
Adjusted R ²					0.694

**Significant at the 0.01 level (2-tailed).

Table 11: ANOVA

<i>Model</i>	<i>Sum of Squares</i>	<i>df</i>	<i>Mean Square</i>	<i>F</i>	<i>Sig.</i>
Regression	241.236	5	48.247	12.599	.000 ^b
Residual	788.896	206	3.830		
Total	1030.13	211			

a. Dependent Variable: Purchase Decision

b. Predictors: (Constant), Perceived Brand Quality, New Brand/Product Promotion, Brand Appeal, Brand Image & Loyalty, Brand Credibility

CONCLUSIONS

The study provides useful insights into the effectiveness of celebrity endorsements on advertisement effectiveness

and purchase decisions of young customers. Celebrity endorsements were found to have a positive influence on brand image & loyalty, new brand/ product promotion, brand credibility, brand appeal, and perceived brand

quality among consumers. Celebrity endorsements were found to be effective in changing brand image, reinforcing brand image, increasing brand loyalty, and switching to endorsed brand. Celebrity endorsements are highly effective in new brand, product promotion, and increasing sales which is why probably they are very popular amongst marketers and advertisers.

Celebrity endorsements are not very effective in increasing brand credibility. The result of our study shows that majority of the customers do not agree that the celebrity endorsed advertisements are believable and trustworthy. One of the drawbacks of celebrity endorsement available in the literature is overshadowing which propagates that celebrity persona tends to overshadow the brand and hence audience is not able to concentrate on product information. But, the present study provides evidence against it. According to the present study, people find celebrity-endorsed advertisements informative.

Brand appeal & perception of brand quality gets impacted by celebrity endorsements. People find celebrity endorsements to be good, interesting, and attention grabbing. They also believe that celebrity endorse product which are of good quality and presence of celebrity in advertisement is assurance of good quality.

Similarly purchase decisions of young consumers are influenced by celebrity endorsements. Celebrity-endorsed advertisements motivate young customers to buy the product. However, the respondents do not agree that they often buy celebrity-endorsed products. This leads to the conclusion that although celebrity endorsements are effective in creating purchase intentions, it may not necessary result in actual purchase. Of the brand characteristics included in the study, brand image and brand credibility have significant and positive impact on customer's purchase decision.

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