

A STUDY ON CELEBRITY ADVERTISING OF ONLINE BRANDS

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ABSTRACT

E commerce has become one of the fastest growing markets in India. Many online portals have come up with various television commercials with celebrities endorsing them which further helps in increasing the popularity of these online brands. Celebrities play a major role when it comes to advertising. Even though they charge a high price for the commercials yet advertisers prefer to rope in celebrities due to their connection with their fans and the general public. In the proposed study, the researcher seeks to compare certain online brands that signed celebrities with those advertisers who used non celebrities for their campaign and examine how the star presence in these brands affect the brand's popularity. For this study, researcher has selected ads from same industry in one which celebs have been used and another where it has not.

The brands selected for this study are Snapdeal, Big Basket, Quikr, Make my Trip, Grofers, Flipkart, Paytm and Goibibo.

Keywords: *Celebrity Advertising, Popularity, Online Brands, Consumer Perception*

1. INTRODUCTION

Advertising, now a days has become one of the most important form of communication. The identification of any product or a brand becomes easier because of its effective advertising strategy. Many companies prefer to rope in celebrities to promote their brands. Even though they charge a high price for the commercials yet they are given preference due to their connection with the fans and the general public (Abdussalam, 2014) . Celebrities are the personalities that are well known in public either because of their credibility or attractiveness or may be both. . Also, they have certain attributes that make them connect to the viewers more. Physical attractiveness star appeal, social media following, fan base of the celebrity are some of the traits that can grab the audience's attention towards the brand (Said & Wan, 2015) . A celebrity's involvement with the public through social media accounts is another factor through which they can promote their brands and attract more customers. In order to conduct the research, only Bollywood celebrities have been taken into consideration.

E Commerce companies rope in bollywood stars as the brand ambassadors not only because they look very pleasing but because bollywood stars also have a huge fan following (Asija, 2015).

Realising the powerful impact of a celebrity towards the brand, many e-commerce companies have

also roped in celebrities for their TV commercials for example Shahrukh Khan for Big Basket which is India's largest online food and grocery store currently offering its services in Bangalore, Hyderabad, Mumbai, Pune, Chennai, Delhi, to name a few (About Bigbasket, n.d.); Ranveer Singh for Quikr. Quikr is an online classified platform where buyers and sellers can connect with each other (About Quikr, n.d.). MakeMyTrip which is considered as one of India's leading online travel company (about us | www.makemytrip.com, n.d.) roped in Alia Bhatt and Ranveersingh as brand endorsers and then there are some online portals which haven't used any big celebrities or no celebrities at all for their advertising, for example Flipkart (a popular e-commerce company dealing in the sale of a wide range of products) (About us- Flipkart, n.d.), Grofers, which is an on demand delivery service dealing in groceries, bakery items and much more (quora, n.d.), Goibibo, a mobile app used for travel and hotel bookings (www.goibibo.com, n.d.) and Paytm which is a platform promoting mobile payments (paytm, n.d.) to name a few. Snapdeal was the one who shifted from celebrity to a non-celebrity advertising because of the controversy associated with its celebrity. Aamir Khan on his intolerance remark.

1.1. Objectives of the study

The objective behind the research is to:

1. Find how the celebrities' appeal helps in increasing the popularity, awareness and recall value of the online brand.
2. Understand whether it changes the consumer perception towards the brand.
3. Know if the celebrity's presence is able to persuade the customer to buy the product .

2. REVIEW OF LITERATURE

2.1. Celebrity Endorsements

The research journal 'Impact of celebrity endorsed advertisements on consumers' talks about the impact that the celebrity endorsements have on the consumer as well as on the sales. The advertisers prefer to rope in celebrities for the advertising because the celebrities provide a higher degree of appeal, credibility, recall value and awareness of the product. If a celebrity is advertising any product, it is likely to stand out in the market than the one endorsed by a non-celebrity. Advertisers need a hook that will hold consumer attention and that hook is the celebrity. It is a general belief among consumers that a consumer is likely to believe a product which is endorsed by a celebrity rather than a non-celebrity and it will lead to more purchases due to the celebrity's presence (Anjum, Dhanda, & Nagra, 2012). As per the findings of the research paper, creating brand equity is one of the reasons why celebrities are adopted for endorsing a product. The research also says that the market share of a product endorsed by a celebrity is more than the one endorsed by a non-celebrity as consumers find the advertisements by celebrities as reliable as well as knowledgeable. So, celebrity endorsements do create a positive impact on company as well as brand and customers.

'The effect of celebrity endorsements in advertisements' reflects on how celebrity endorsements in advertisements are impacting the consumer perception towards the endorsed brand or the product. Several factors are identified which lead to celebrity's influence on the consumer. There are so

many brands using celebrities for their television commercials in order to promote their brands. In this era of competition where so many substitutes are available for a product, companies make use of celebrities in order to capture the market (Mberia & Zipporah, 2014). Celebrities are considered as a role model by the audience therefore, advertisements featuring celebrities garner huge attention and make the advertisements livelier as well as interesting. In a celebrity endorsement, the first thing consumer observes is the celebrity which plays a major role in building up purchase intention among the consumers. Where on one hand celebrities build a sense of trust for the brand and makes the brand noticeable. On the contrary, a celebrity's tarnished image may also harm the brand. The use of celebrity builds up credibility towards the brand which creates an image among the consumers due to which the brand gets recognised in the market which further improves sales. Thus, celebrities' do have a positive effect towards the brand and influence consumer behaviour but at the same, it may even lead to harming the image of the brand.

2.2.Celebrity advertising and E-commerce

The online article by economic times 'Celebrity ambassadors help e-commerce brands build trust' reflects upon the increasing competition in the e-commerce space for which celebrities are being roped in so as to build trust and confidence. Celebrities help a lot to the e-commerce companies when it comes to building trust value because when it comes to their information and cash, it becomes difficult for them to trust. Because of e-commerce companies being new, people are aware of their existence but are not willing to trust. Therefore, these companies rather prefer to spend money on celebrities because of their trustworthiness. Also, India is considered to be crazy about movies so roping in film actors works well for the companies (J, 2015)

The web article 'What does a celeb get on the table for e-commerce businesses?' talks about the increasing trend of e-commerce sites. Since Bollywood provides visibility, mass appeal, drives traffic as well as increases sale on the site, e-commerce sites have joined hands with Bollywood star in order to promote their brand. The article brings into light the opinions of various brand and industry experts who feel that the right celebrities generate interest towards the brand which bring visitors to the site and ultimately create sales. Where the other experts consider the collaboration of film and e-commerce brands as a mutually benefitting situation where a film star promotes a product through TVC and the brand offer special schemes like click and win movie tickets which ultimately helps in the film's promotion (Bureau, 2014). Some E-commerce players also believe that more than just increase in sale or growth, celebrities help the brand in terms of better reach and credibility as well as connecting with the target audience. When a celebrity is roped in for a brand, the impact increases to a large extent.

In spite of all these viewpoints, the article also reflects upon the careful deliberation in terms of signing up of a celebrity which complements the brand identity as well. Also, credibility at times become an issue when a celebrity starts endorsing too many brands. However, the article favours the trend of celebrity being used for marketing and promotional purposes of a brand especially in a country like India where celebrities have a huge fan base.

Aamir Khan's Case: How Celebrity Endorsements Can Harm Brands is one such article talking

about Aamir Khan's intolerance remark and how it harmed Snapdeal. Thousands of Snapdeal users deleted the app on their phone when Aamir Khan made a statement expressing his wife's opinion on the increasing intolerance in the country. Roping in a celebrity for a brand can be very risky at times and may do more harm than good. Controversies surrounding a celebrity may lead to harming the image of a brand. Also, celebrities as endorser helps in brand recall. Also, initially it may help in increasing the customer base of a brand but it does not guarantee a brand's success (S, 2015). In order to build a connection with the customers online retailers rope in Bollywood stars. Celeb Brand Ambassadors Are a Growing Trend in Ecommerce Industry, an online article talks about the relationship between e-commerce and media. The reason for these brands choosing Bollywood stars could be their appeal, where they attempt to attract a mass market; their ability to influence the consumers and bringing a sense of identity and differentiation towards the brand. Celebrities act as a linking pin which establishes a link of the online brand with the youth. Also, with the massive reach of these celebrities over the internet, e-commerce has witnessed a substantial rise in the revenue as well as its users (Asija & Team Inc, 2015).

The webpage 'Online grocery store BigBasket ropes in Shah Rukh Khan as brand ambassador' provides an insight into how the use of celebrities work in favour of the brand. Big Basket signed actor Shahrukh Khan as its brand ambassador to which Vipul Parekh, co-founder of Bigbasket said that SRK has been selected because of its universal appeal who gets into the skin of the character and has the ability to make the ad believable. He connects to the people of all age groups and thus people will relate to the brand more.

According to Aviral Jain, director of American Appraisal, a division of Duff & Phelps, Shahrukh will be able to connect to the smaller towns as well and Bigbasket will be a brand serving across India (Jain, 2015).

2.3. Theoretical Framework

Persuasion Theory has been used to conduct the study. Persuasion Theory is a mass communication theory that deals with influencing behaviour of individuals and changing their attitudes through communication (Naveed, 2013).

The theory will be useful in studying that whether a celebrity can actually persuade or influence the customer towards purchasing from the brand and if the customers are able to recall the brand due to the presence of celebrity in its commercial.

The research will provide an answer to whether media is successfully able to create a unique image of the brand among the consumers by influencing them with the use of a celebrity. If yes, then how?

3. METHODOLOGY

In order to conduct the research on 'Celebrity Advertising of Online Brands', the researcher took into consideration the audience's perception towards the brand when it has a celebrity brand endorser and when it has a non-celebrity endorser. For this, the researcher decided to go for quantitative research methodology.

The methodology was used to conduct the research where a 16 question survey was sent to 100 respondents in total across places in India such as Mumbai, Delhi, Ahmedabad, Bangalore and Kolkata. The places were selected based on the rising trends of e-commerce in Indian cities. Data was given in the report by Associated Chambers of Commerce and Industry (Assocham)(Narsimhan, 2016). Therefore, Purposive sampling method has been used to obtain responses for the survey.

4. FINDINGS AND ANALYSIS

Though the research was supposed to collect 100 responses in total, but could easily gather 124 responses. When the respondents were asked about which is the most important factor they consider while making purchases from an online brand then following responses were obtained:



Figure 1: Purchase Decision

- About 41.1% people, think about price while making purchases from an online brand.
- 42.7% consider quality while making a purchase decision from an online brand.
- Celebrity endorser has received least percentage of 3.2%.

Therefore, when it comes to making a purchase decision, people will give first preference to the quality and price rather than the celebrity endorser in its TV Commercial. In terms of what kind of television commercials people find attractive, the respondents considered the commercials featuring a celebrity to be the most attractive. Following data was obtained:

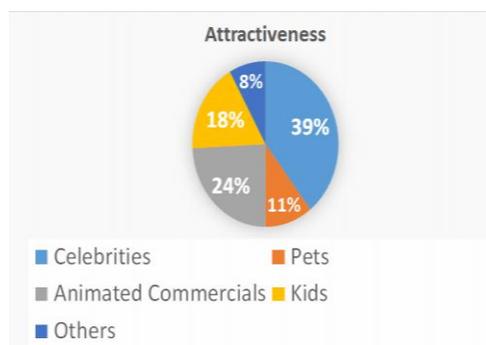


Figure 2: Attractiveness

- 39.5% of respondents found the commercials featuring a celebrity to be the most attractive.
- 24.2% of people found animated commercials attractive whereas 17.7% respondents considered the commercials that features kids to be attractive.

- Around 10% of people preferred the commercials featuring pets.

Therefore, the researcher found that the presence of a celebrity in an advertisement does help in identification of a brand to some extent.

Also, a majority of respondents agreed to the fact that the presence of a celebrity in an online commercial does help in the recalling of the brand.

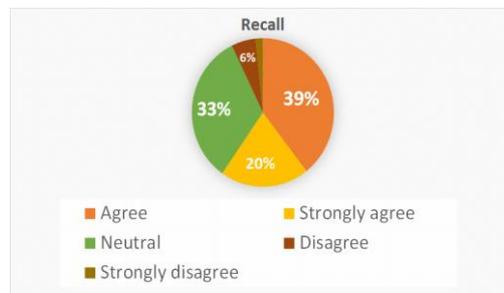


Figure 3: Brand Recall

The data reflects that:

40% respondents agree that celebrities help in brand recall.

20% strongly agree to the fact that presence of a celebrity in a commercial will help in the recalling of an online brand.

Around 34% of the respondents had a neutral response regarding the same whereas the rest disagree to the argument that celebrity's presence help in the brand recall.

With the overall results of the survey obtained, the researcher analysed that-

- People do identify the brands with the celebrity and the celebrities also play a major role in the brand recall.
- When it comes to making a purchase decision, people will give first preference to the quality and price rather than the celebrity endorser in its TV Commercial.
- The presence of a celebrity in an advertisement does help in identification of a brand to some extent.

Persuasion theory, therefore becomes invalid here because-

- celebrities do help a bit to create a unique image of the brand but it is not able to persuade the customers to buy the product.
- Celebrity Endorsers are not able to influence the customers where purchases are concerned. Rather, the price and quality of the products offered by these e commerce companies are more helpful in persuading the consumers towards purchasing from the particular e-brand.

5. CONCLUSION

On the basis of the above research, the researcher concluded that celebrities to a large extent help in the identification of a brand and it plays a major role in building awareness of the consumers towards the brand but its role is only limited to that. When it comes to making purchase decisions,

celebrities do not contribute much because people give more preference to price and quality of the product rather than the celebrity endorser. The contribution of a celebrity is more towards the recalling of the brand where the consumers can actually remember the name of the brand if it has a celebrity endorser in it. Also, consumers take into consideration other factors such as price and quality while making online purchases rather than the celebrity endorser in it. Therefore, a celebrity endorser helps to the extent of brand identification and recall but does not contribute much where actual purchases are concerned.

5.1. Limitations

1. The research was limited only to the Indian audiences.
2. There has not been done much study on online brands so it was difficult for the researcher had to refer more websites rather than research journals for the review of literature.

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