

# RELEVANCE OF FRED PRINCIPLE TO CELEBRITY ENDORSEMENT – AN ANALYTICAL STUDY CONDUCTED IN HYDERABAD

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## ABSTRACT

*In the contemporary world of advertising glitz, a celebrity becomes an inevitable and integral part. It is becoming more of a common feature of today's brands to get advertised with the help of a familiar face to challenge their competitor brands. Like any other part of the world, celebrity endorsement has become a common strategy to induce brand recall among the consumers in India as well. It again goes a long way to form attitudes and change attitudes possessed by the consumers about a particular brand. This study attempts to throw light on the influence of celebrity endorsements on the consumption of specific brands. More than analyzing the brands, this research was undertaken to examine the FRED principle which stands for Familiarity, Relevance, Esteem and Differentiation of the celebrity in question. One way Anova has been used to analyze the data and the result exhibits certain peculiar features of Hyderabad consumers. The samples who were between the ages of 10 and 50 expressed varied opinions about the influence the celebrity exerts over them. A sample size of 100 was selected which was further divided between 4 groups based upon age.*

**Key words:** *FRED, attitude, meaning transfer, celebrity influence, celebrity endorsement, brand recall*

## INTRODUCTION

In today's marketing spectrum, advertisement holds the key to success to promote their major brands to the potential customers. To satisfy today's customers is becoming more and more challenging for the marketers since customers are brand savvy and are very selective in their purchase decisions. The quality of the core product or service is definitely very vital for success, but celebrity enriches the presentation in front of the target audiences. The familiar faces do enhance brand recall capability of the customers. Popular personalities like Bollywood and sport stars are widely used to create awareness about a specific brand and to establish an image for that. In certain commercials where a domain expert is used as a celebrity like a dermatologist endorsing a cosmetic brand and dentist promoting toothpaste. The educated public is targeted in this case who tend to believe statements given by the industry experts. Apart from experts and the celebrities, there is another way of endorsement for brands which is done by Lay endorser. A

Lay endorser is a common man like us who look like a person next door and he or she speaks high about a brand. This again has its benefits as there is always one section among the common public which believes what these Lay endorsers say. In any case endorsement becomes essential in today's cluttered market where myriad brands occupy their own places.

## **NEED FOR THE STUDY**

Because of heavy competition the players in the market prefer to utilize the most effective tool to reach the customers. As celebrities command respect and familiarity among the common public, they are rewarded sumptuously for short advertisements. It becomes necessary for us to study about the celebrity endorsements as it is directly correlated with creation of brand awareness, emotional attachment and brand recall attributes in the city of Hyderabad. The youngsters are found to be keen to go for those brands endorsed by celebrities and closely examining them would throw light upon some unexplored areas.

## **SCOPE OF THE STUDY**

The study was conducted in the city of Hyderabad and with a sample size of 100 which includes children and adult. The scope still extends to the scrutiny of the concept gender wise, age wise and profile wise. The study encompasses a wide and important range of factors that leads to celebrity based purchase decision. The credibility of the celebrity endorsing a brand is also considered while a purchase decision is made which necessitates observation.

## **LIMITATION OF THE STUDY**

As many other studies, this is also done in a short period of 6 weeks. It has taken only 100 samples that again are divided age wise and gender wise no differentiation was made between children and adults in the analysis. The responses given by the age group 10 to 17 may be the reflection of the opinions of the elders who have helped them fill the questionnaire. The age group 25 to 40 was literally busy to fill the questionnaires which might have resulted in hazy comprehension of the questions.

## **REVIEW OF LITERATURE**

Goldsmith and Lafferty in 2000 observed that the inclusion of celebrity in a commercial enhances the desire and willingness to purchase the endorsed brand. Dean and Baswas in 2001 stated that the consumers even change their attitudes when their favorite stars endorse a brand and the consumers actually start evaluating the worth of the brand. From the marketer's point of view, the return on the investment is faster when the brand is endorsed by a celebrity and it gains competitive advantage in the market according to Erdogan (1999). Wang (2005) again spoke

about the change in the customer attitude when a celebrity speaks high about a brand. . Harmon and Coney (1982) observed that endorsement by credible and respected celebrities lead to word of mouth among the prospective customers about the worth of the brand. In 1998, Till and Shimp reinstated that the savvy customers look for a considerable match between the brand endorsed and credibility of the celebrity. Daneshvary and Schwer (2000) declared that there are different factors that influence the purchase intentions of the public which can be either celebrity or a subject expert. They further said that such an association of an expert and the brand can improve sales and the outlook of the public towards the product. McCracken (1989) believed that the celebrity enjoys a recognition among the common public as a result of which his influence can be better upon their purchase behavior. Till (1998) supported that thought that a celebrity can better impact your attitude than a non celebrity. Leung and Kee in 1999 felt that the voice of the celebrity is important in a TV advertisement for the commercial to become a hit. Different writers chose different factors for selecting the celebrities. Solomon, Ashmore (1992) said the connection between the audience and the celebrity was the critical factor, whereas Liu and Huang in 2007 felt that the celebrity with the brand is the winning combination. Powell and Jonathan Hardy (2009) explained that the critical factor that affects the purchase decision is the cost related to the celebrity involved. Sliburyte (2009)

The consumer willingness to purchase is complicatedly related to the credibility of the perceived that the public evaluate the celebrity on various parameters like their understanding of the celebrity, their assessment about the knowledge and the reputation of the celebrity.

## **OBJECTIVES OF THE STUDY**

The study focuses on two major objectives ; to know whether the celebrity endorsed brands attract the audience more than the non – celebrity endorsed ones and to observe whether the celebrity endorsement really impact the purchase decisions positively.

## **RESEARCH METHODOLOGY**

Samples: Children and adults

Sample size: 100

Sampling technique: questionnaires

Data collection: Primary (structured questionnaires, telephonic interviews, mall intercepts)  
Secondary (published literature and websites)

Data handling method: One way ANOVA

## **DATA ANALYSIS**

### **Table 1 Brand recognition because of celebrity**

H0: Celebrity in the commercial helps to recognize the brand easily

H1: Celebrity in the commercial does not help to recognize the brand easily

factors	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Celebrity excites me	9	3	0	3	2
Celebrity's voice in the commercial attracts me to the brand	11	1	1	2	4
I know more brands than others because of celebrities	10	4	2	3	3
I recollect a brand in a retail store because of celebrity endorsement	7	4	2	6	0
Celebrity introduces new brands gracefully	7	8	3	2	3
Total					100

ANOVA Table

	X1	X2	X3	X4	X5	Total
Number (n)	5	5	5	5	5	25
$\sum x$	44	20	10	16	12	102
Mean	8.8	4	2	3.2	2.4	4.08
$\sum x^2$	400	106	30	62	38	636
Variance	3.20	6.50	1.50	2.70	0.86	
Std deviation	1.789	2.550	1.225	1.643	0.927	
Std error	0.800	1.140	0.548	0.735	0.415	

ANOVA result

	SS	df	MS	F
Between	151.04	4	37.7600	12.7913
Within	59.0399999999	20	2.9520	
Total	210.0799999999	24		

TV = 2.87

CV = 12.7913

According to the values gained, H<sub>0</sub> is rejected and it is evident that the celebrity endorsements help the customers to recognize the brands better than the non celebrity

**Table 2 – Acceptance of celebrity endorsed advertisement**

H<sub>0</sub>: Celebrity endorsement enhances the level of acceptance of the commercial

H<sub>1</sub>: Celebrity endorsement does not enhance the level of acceptance of the commercial

factors	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
I believe the celebrity endorsed brands	7	2	1	3	3
I believe the celebrity uses the brands	8	5	2	6	1
I believe the celebrity is deeply connected with the brand	7	9	0	1	7
I believe that the celebrity endorses only worthy brands	6	2	2	7	2
I think that the brands and the celebrity are mutually inseparable	9	1	1	6	2
Total					100

ANOVA Table

	X1	X2	X3	X4	X5	Total
Number (n)	5	5	5	5	5	25
$\sum x$	37	19	6	23	15	100
Mean	7.4	3.8	1.2	4.6	3	4.00
$\sum x^2$	279	115	10	131	67	602
Variance	1.30	10.70	0.34	6.30	5.50	
Std deviation	1.140	3.271	0.583	2.510	2.345	
Std error	0.510	1.463	0.261	1.123	1.049	

ANOVA result

	SS	df	MS	F
Between	104.000000000000	4	26.0000	5.3853

Within	96.56	20	4.8280	
Total	200.56	24		

$$CV = 5.3853$$

$$TV = 2.87$$

According to the values yielded, it could be seen that the presence of the celebrity enhances the acceptance level of the advertisements and the brands in turn.

### Table 3 change of attitude because of the celebrity in the commercial

H<sub>0</sub>: Attitude once formed does not change about a brand though a celebrity endorses it

H<sub>1</sub>: Attitude does change about a brand if a celebrity endorses it

factors	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Attitude about a brand once formed is permanent	6	6	1	3	2
Attitude formed may change only if a favourite celebrity endorses the brand	7	5	1	8	4
Celebrity is not only capable of creating awareness about a brand but changes the image about it	6	4	0	2	8
Whether the celebrity uses the brand or not, my view about the brand certainly changes	7	5	2	7	1
Celebrity has to be relevant to the brand for my attitude to change	4	2	1	5	5
Total					100

### ANOVA Table

	X1	X2	X3	X4	X5	Total
Number (n)	5	5	5	5	5	25
$\sum x$	30	22	5	25	20	102
Mean	6	4.4	1	5	4	4.08
$\sum x^2$	186	106	7	151	110	560

Variance	1.50	2.30	0.25	6.50	7.50	
Std deviation	1.225	1.517	0.500	2.550	2.739	
Std error	0.548	0.678	0.224	1.140	1.225	

## ANOVA result

	SS	df	MS	F
Between	70.64	4	17.6600	4.8920
Within	72.2	20	3.6100	
Total	142.84	24		

$$CV = 4.8920$$

$$TV = 2.87$$

According to the values of the ANOVA table, it is evident that  $H_0$  is rejected and the attitude about a brand is likely to change when a celebrity is roped in for promotion

**Table 4 Purchase decision is influenced by celebrity endorsements**

$H_0$ : Celebrity does not influence my purchase decision

$H_1$ : Celebrity does influence my purchase decision.

factors	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Some celebrities make me know more about a brand	6	5	1	4	2
Celebrities tempt me to buy a brand	7	6	3	3	2
Celebrity endorsements make me ask for a specific brand in the outlets	7	7	1	7	3
I do not mind spending extra money on a brand if it celebrity endorsed	5	8	0	7	1
Celebrity surely influences my purchase decision at the outlets	5	2	1	5	2
Total					100

## ANOVA Table

	X1	X2	X3	X4	X5	Total
Number (n)	5	5	5	5	5	25
$\sum x$	30	28	6	26	10	100
Mean	6	5.6	1.2	5.2	2	4.00
$\sum x^2$	184	178	12	148	22	544
Variance	1.00	5.30	0.84	3.20	0.50	
Std deviation	1.000	2.302	0.917	1.789	0.707	
Std error	0.447	1.029	0.410	0.800	0.316	

## ANOVA result

	SS	df	MS	F
Between	99.2	4	24.8000	11.4391
Within	43.36	20	2.1680	
Total	142.56	24		

$$CV = 11.4391$$

$$TV = 2.87$$

According to the ANOVA table values, it is clearly seen that  $H_0$  is rejected samples have indicated that the celebrity in the commercial does influence the purchase decision and make them go for a specific brand.

**MAJOR FINDINGS OF THE STUDY**

- a) The celebrity helps the people recognize brands. He or she, by virtue of being popular among the consuming public, helps them know about the existence of the brands.
- b) New launches become block busters because of celebrity in the advertisement.
- c) The most commonly admired celebrities are Big B, Shah Rukh, Salman Khan, Hritik, Sachin Tendulkar, M.S.Dhoni, Aishwarya bachan, Kareena Kapoor and Saina Nehwal.

- d) Though a celebrity endorses more than a single brand, the public relentlessly admire him or her. The element of confusion about the multiplicity in endorsements does not arise in the case of educated city dwellers
- e) The children below the age of 15 do follow the celebrities and their charisma.
- f) Attitude, it is said, that once formed will take a long time for the customers to change. But in the case of celebrities, attitude formation and change of formed attitudes are relatively easier and simpler as the public adore the stars of Bollywood and cricket.
- g) Some samples have stated that they remembered some brands like Vivel and Garnier hair color only after Deepika Padukone endorsed them.
- h) Majority of the samples have stated that they are influenced by the celebrity during their purchase attempts. They further felt that their view about the brand changed because of the celebrity who endorsed the brand.
- i) Majority of them also were of the opinion that the relevance of the celebrity to the brand should be visible for them to go for the brand.
- j) Many samples expressed that the esteem and the differentiation factors play a crucial role in deciding the endorsed brands should be bought or not. Many of them also felt that sometimes, the brand and the celebrity endorsing become inseparable.
- k) Celebrity not only gives more knowledge about the brand but also makes the purchaser go for a specific brand unmindful of the extra money he may have to shell out.
- l) It is also found that the audiences sense a deep connection between the brand and the celebrity who endorses it.

## CONCLUSION

Based on the findings following the data analysis, it is concluded that the celebrity endorsement is the order of the day and such commercials are admired and liked by the target audiences. It is also evident that the celebrity grabs the attention of the viewers by their charisma and popularity. In many cases, this type of marketing strategy enhances the attractiveness of the brand and places it in a very respectable position in the market. It is generally said that an advertisement is sheer waste of money as it does not contribute to the quality of the value rendered to the consuming public. But with celebrity endorsement, though the value to the consumer does not rise, the ultimate aims of the marketers which are, creating awareness about the brand, making the consumers interested to know more about the brand and altering their view about the brands do happen when a favorite celebrity is roped in. This study conducted in the city of Hyderabad, is enough proof that the value of the celebrity gets into the value of the ultimate brand.

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