

Impact of celebrity endorsement and event sponsorships marketing essay



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This study was introducing the reader to the broad concepts regarding celebrity endorsement and event sponsorships and along with on pre-purchase motives of consumers. The major reason of this research was to find out whether event sponsorship and celebrity endorsement affect consumer pre-purchase decision or not and if it increases the purchase-intent of the buyer or not. Primary data has been collected via survey through questionnaire and secondary data has been collected through research articles, journals and internet. The sample was drawn on the basis of convenience i. e. Convenience Sampling method was followed. The questionnaire was filled by 100 respondents. Pre-testing was used to check the weakness in design and instrument. Twenty questionnaires were filled by consumers to check the reliability of the questionnaire. Multiple regression analysis was used which was a general statistical technique used to analyze the relationship between a single variable and several independent variables. The output had shown that there was significant impact of event sponsorship on pre-purchase behavior and celebrity endorsement has an insignificant impact on pre-purchase behavior. In other words it was said that the relationship between event sponsorships and pre-purchase behavior was strongly positive which means that consumers are influenced by the products or services which are sponsored on events i. e. it has a greater impact rather than celebrity endorsement. The relationship between Celebrity endorsement and pre-purchase behavior had less impact as compare to event sponsorships. A self administered was developed to conduct the study on consumer's pre-purchase behavior. Multiple linear regression was suggested for this research to evaluate the impact of event

sponsorship and celebrity endorsement (independent) on consumer pre-purchase behavior (dependent).

CHAPTER 1: INTRODUCTION

This chapter was introducing the reader to the broad concepts which discussed in this study. Background of the topic regarding celebrity endorsement and event sponsorships and along with this motivation for pursuing the topic. The ability of celebrity endorsement and event sponsorship to have an effect on consumer per-purchase attitude with respect to product quality, product image and purchase-intent was the focus of this study. This research was study that how many consumers are willing to purchase the products which are endorsed by famous celebrities (including TV stars and cricket stars) and along with this how event sponsorships add value to the brand and purchase-intent of the particular product. Celebrity endorsement is now a day's very useful practices of advertising among various tools to market the product or services as well. Celebrity endorsements now days perceived a popular tool or best way to market the product, for marketers it has been a winning formula. It is easy to select the best celebrity in advertisement but it is quite difficult to create the association between the product and celebrity. The capability of two advertising tools celebrity endorsement and event sponsorship have an impact on consumer pre-purchase behavior including perceptions with regard to product quality and uniqueness is the focus of this study. Marketing experts acknowledge that celebrity endorsement and event sponsorships are very effective tools to examine consumer behavior and also very useful to examine their attitudes. These both tools have an impact on

consumer's pre-purchase behavior. Marketers are interested to make more customers who are potential and are influenced by celebrities. Day by day consumers are exposing to so many of voices and images through media including audio visual aids. Every company tries to take away at least a portion of an unsuspecting people's time to inform them about the amazing and different attributes and features of the product at hand. Advertisement contains product endorsement by a celebrity and event sponsorships and no other tool can compare of their ability to influence the consumer perception of perceived Product quality, attitude toward the product, purchase intent and value of the ad. In other words celebrity endorsement and event sponsorships are very useful advertising cues to attract or to make more customers and also helpful to attain potential customers attention towards the product or service.

It can be seen in telecommunication advertisement they are using event sponsorships in different cricket match series to advertise their product and to enhance its features and benefits, same it can be said that product endorsed by using celebrities in ad it is also now become a useful tool for marketers. Celebrity endorsement is effectively using in different shampoos ad mostly. Nowadays while event sponsorship and celebrity endorsement activities are between the companies mainly openly Observable and discuss marketing positioning tool.

The targeted audience of this research is consumers who are effectively influenced by the advertisements tools. This research was test the effect of celebrity endorsement and event sponsorships on consumers buying behavior before making any decision to buy the particular product or service

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which also includes perception and attitude before making buying decision. This study tries to see the impact of these two variables or advertising tools on consumer behavior that whether the consumers are influenced by celebrities whose using in ad to promote product or not and also those products which are actively sponsoring events. In short people are really go for that product which is promoted by a celebrity or not and same for the other tool event sponsoring. The sample size is 100 and Convenience Sampling Method is used in this study. As external environment is changing day by day there are also changing in marketing activities according to many marketers these two tools (celebrity endorsement and event sponsorships) are very effectively using by many companies, these tools are good way to communicate and to create awareness about brand attributes and features. But it cannot be ensured that these tools are playing an important role to increase purchase-intent, credibility, add glamour, and enhance the value of brand and positive attitude towards the particular brand as due to different interest of every individual because it is not sure that a consumer is going to switch from one brand to another brand just because the particular product is endorsed by any celebrity or actively sponsors event. In other words the purpose to this study is to examine the impact of celebrity endorsement and event sponsorships on consumer pre-purchase evaluation. By testing these two tools it was be analyzed that is it truly impact on consumer's perception that makes their minds to go for that product or not? Or maybe these tools only helpful to create awareness of a particular brand or product and to memorize these brands because of association of brand with famous celebrities and big events like cricket matches specially or so on.

While complete brand information does not presented to customers inferences are prepared by means of product cues to trim down ambiguity and to build perceptions of products. Promoters can create uses of sport sponsorship and celebrity endorsement as extrinsic cues to persuade consumers' pre-purchase attitudes towards the product. These cues are costly forms of promotion. Marketers required beginning, whether they offer acceptable return on investment. This research was explored consumers' attitudes and the impact of event sponsorship and celebrity endorsement on brand/product associated variables such as brand quality and product uniqueness. A total number of 100 respondents took a part in this study or research.

PROBLEM STATEMENT

The main problem was to discover the whether the impact of celebrity endorsement and event sponsorships impact on consumer pre-purchase behavior. If these both factors influence on pre-purchase attitude which variable had a greater impact on pre-purchase behavior.

HYPOTHESIS

1) H1: celebrity endorsement has a significant impact on consumer pre-purchase behavior.

Ho: celebrity endorsement has no significance impact on consumer pre-purchase behavior.

2) H1: event sponsorship has a significant impact on consumer per-purchase behavior.

Ho: event sponsorship has no significance impact on consumer per-purchase behavior.

CHAPTER 2: LITERATURE REVIEW

The use of celebrity endorsement strategy is become nowadays very useful techniques and tools for companies to increase their sales and thereby increase in market shares. Over the last few years the celebrity endorsement has been become very useful and effective tool of advertising to create awareness and to get attention of the viewers. The products which are endorsed with any celebrity (star) were being remembered able for a long time period.

The ability of endorsements to affect consumer attitude and perception had been suggested in academic. It is a truth that absolute product or brand information is hardly presented to customers, especially while they are watching advertisement on television. While related manufactured goods information is not there standards of these information might “ indirect” as of presented information then incorporated into complete estimation and going downward to reproduce ambiguity. (Dean , 1999)

Dean found CR endorsement might perform like a signal of the promoter. Companies can send pre-purchase signals of the quality of the products for instance a widely product’s warranty might signal of quality of particular product. This is supposed that customers want signals which would be unbeneficial for the cheap supplier to throw, except beneficial for the high-quality seller. This could be lead towards “ separating equilibrium” of the company’s on superiority or quality. Because a CR (consumer report) “ Best

Buy” score is award to just one goods of each group, this endorsement would appear to “ separate” goods on the foundation of purpose quality and perform as a signal in promotion. (Dean , 1999)

Found among one of the some only educational investigations of endorsements initiated that skilled, celebrity, and usual customer endorsements considerably improved overall perception of the manufactured goods or service and predictable price, but intention to buy is not affected. Known the empirically proven control of extrinsic tools to have an impact on customer perceptions and activities. (Fireworker and Friedman, 1977)

Found that Study has initiated sustaining proof that celebrity endorsements effect on viewer concentration, remember, evaluations and purchase intent. (Hsu and McDonald, 2002)

Celebrities are usually eye-catching, which useful influence when customers are concerned about common recognition and others opinions or at what time the manufactured goods is attractiveness-related (Kahle and Homer 1990)

Also as sentimental tangential cues, celebrity endorsements might guide media solidity to have an effect on sales in grown-up categories (MacInnis, Rao, and Weiss 2002).

According to these literatures celebrity endorsement is very effective tool to have an impact on consumer pre-purchase attitude towards the endorsed product or services. In other words it is now become a most popular and useful cue to test consumer perceptions. According to some literatures

celebrity endorsement has now become a common type of promotion in United States and everywhere. (Agrawal and Kamakura, 1995).

Nowadays, the employ of celebrity marketing for organizations has become a common practice and a superficial successful method of business picture structure and manufactured goods advertising. This observable fact is reflected by the current promotion study result that totals eight out of ten TV commercials ratings the maximum remember able recall are those with celebrities' appearances. Further was elaborated it that this research indicated that those advertisements are mostly recall in which products or services endorsed by any famous celebrity. Celebrity endorsements now days perceived a popular tool or best way to market the product, for marketers it has been a winning formula. It is easy to select the best celebrity in advertisement but it is quite difficult to create the association between the product and celebrity. Day by day consumers are exposing to so many of voices and images through media including audio visual aids. Every company tries to take away at least a portion of an unsuspecting people's time to inform them about the amazing and different attributes and features of the product at hand. It was quite easy to pick a celebrity and to choose the best event to promote the product but it is too difficult to build a good relationship among the goods and the endorser. In another research an author stated that celebrities are the majority frequently measured a tangential cue they were significant in influence merely while customers are not concerned in the manufactured goods group or in dispensation the Commercials. According to another decade it was revealed that while

customers suitable or detachment themselves from product relations based on celebrity

endorsements then they do so in a way that is reliable with related them requirements like self-enhancement. (Kamins, Brand, Hoeke and Moe 1989).

Advertising become a big source to create awareness and create interest towards the product or services and also it has an impact on consumers attitude towards that product or brand, but celebrity endorsement now the most useful tool or cue to attract/make the customers thus by utilizing a celebrity in commercials source to have an impact on product approach and purchase-intentions of customers in a optimistic way. Celebrity endorsement has a physically powerful impact on customer's remembrance and knowledge approach too. The majority of customers are not in a buying condition while they are come across with communication of the product or service. Most of the Marketers are using celebrities in their commercials to assist superior storage space of information and knowledge in customers minds which they would be quickly remember when they are purchasing. (Ranjbarian, Shekarchizade and Momeni 2010).

In the light of some author by Using of celebrity endorsers to sustain goods is give details by balance theory principles too. In the light of this theory winning firms found a touching relationship among the viewer and endorser and a relationship among endorser and product too.

(Mowen and Brown 1981)

This study is testing whether customer infer celebrity endorsers like the product which they endorse and present a model using these inferences and other characteristics of the endorser to forecast attitudes towards the endorse products. This is a latest research which indicated that there is 25 percent American advertisements are using celebrities to endorse their products. One of the studies has been initiated that celebrity endorsement are more favorable in results of product evaluation and commercials favorable (Silvera and Austad 2004)

According to a researcher who studied those in order to recognize the issues come across using of celebrity endorsements tool in commercials, it has been essential to start through a summary of intellectual study by now expert in the part. It is just then that the route of this research could be further particularly elected. Technical studies among the utilization of celebrities (stars) in commercials have improvement in more than a few phases. Near the beginning some study includes the era up to 1980. the majority of study carry out previous to that time is meant at approximation the efficiency of commercials which utilize well-known populace along with this the evaluation them with further plan of marketing.(McCracken, 1989)

A foundation is a human being or an association publicized communication. The bases trustworthiness or reliability is the quantity to which a watcher or observer have perception or attitude that the basis to acquire information or a suitable practice and do not give influenced knowledge. Therefore there are two primary scope of foundation Trustworthiness which are expertise and trustworthiness. (Ohanian, 1990).

Aptitude of event sponsorship had an impact on dependent variable. By means of proprietary, longitudinal, consumer panel data, these writers established that approximately. (Polonsky and Speed, 2001).

When sponsorship activities are between the organizations most openly Observable and discuss advertising communications engagements, slight study has so far been conducted on the topical a branding viewpoint along with this sponsorship was a very effective tool using by so many companies domestically and internationally both. (Cornwell and Maignan 1998).

Also, when most advertising departments nowadays are conceited of their brand strategies and their specialized standards a most excellent practice action, sponsorship is frequently performed more than as an art than as a science stated customer-based brand equity as the degree of difference impact of customer' brand knowledge on their reactions to product advertising stimulus like promotion and marketing activities. Consumer-based brand equity includes buyer's responses to a part of the brand's marketing mix in contrast with their responses to the same marketing mix parts benefits to other products. Customer product or brand knowledge the favorability of behavior toward the product and brands particular links are key apparatus of brand equity. (Keller, 1993)

According to an author, planned that sponsorship worked in a different way on the consumer behavior more than other kinds of advertising and marketing tools in which it indulge the customer by bestowing advantage on an action from which the customers have an deeply touching affiliation. (Meenaghan, 2001)

The analysis is that it shows that customers may really have memory-based prospect of promoted products relationships. (McDaniel, 1999).

The efficiency of sponsorship is consists on the experience effect such as experience to a sponsor's name enhances the awareness with the product in the long run basis and creates a priority for the product. Generally sponsor communication was easy and connected to corporation or product names. In other words they said that both event-based and longer term consists recollection of audience in a sponsored event was inspired. This can be guide to upper level of product awareness than those follow-on from marketing experience. This Sponsorship tool was a very stretchy communications method that could be used to attain both marketing and corporate communications objectives. Marketing Communication's purposes are responsiveness construction and to a some degree of product's image building company communication's goals' are to encourage company image and enhances good was of the corporation and these all have impact on consumer's perception as well. (Ruth and Simonin, 2003).

In the light of another author who initiated that along with field sponsorship there is the possibility for so many of interruption from other sponsors and the event. There is a one thing to be remembered which is extremely concerned viewers that they was select on field sponsorship is much more than those are not as concerned. The cause for this could be because extremely concerned viewers are more well-informed and also more responsive to the surroundings around the event as they struggle to be familiar with all information related to it. (Polonsky and Speed, 2001).

Through some source in which an author stated about events sponsorships that the event is very helpful for both the parties sponsor and sponsored association as a communicational tool through which they deal with communication to the targeted people by the organization of a few tools of communication and according to a communicational strategy. According to the sponsored sports institutions the sport event is a manufactured goods having distinctiveness particular to sport and in other words the way communication or the perfect practices to convey organizations' message to the targeted audience also. The event would sell to in the community or public, through media and to the sponsor. In this means the media and public are become essential elements of events sponsorship. The previous decade stated the televise which talk about the event increase the messages speak to the audience and sketch concentration upon the sponsor whose main advantage is free of cost positioning the final catch the messages from the two basis one is the sponsored association and the sponsor.(Firica, 2008).

Through some analysis event Sponsorship is an initial grade advertising method or practice, therefore a communication method whose development is inspiring in the 90' while it's satisfied and shape of expression improved. When the purpose to convey message to target market and part of endorsement intended to make further more money for sports expansion sponsorship permit a straight organization among an organization's product and an event striking on a some extent group of viewers. The globe of commerce or trade corporations among every pasture of action flourish by means of sport in its ability of a worldwide movement and verbal

communication as well as the picture of sports celebrities as tools of endorsing their brands or services, thoughts and image.(Firica, 2008).

From the previous this is about twenty to thirty years ago, sponsorship is developing as of diminutive level movement in an inadequate number of developed places to a key worldwide industry. Sponsorship is obviously known by a way of communication or as a message convey tool and it is for that reason measured a profitable savings or as an assets for an organization. The variety of sponsored behavior has greater than before. Whereas sports and along with this on a some slighter degree the arts activities stay very significant part, social and environmental sponsorship have also a significant role. The expansion of televisive sponsorship is one more key expansion. According to some research in 2001, international savings in sponsorship are predictable is more than US \$24 billion. (Walliser, 2003).

Hence, marketers might interest in making ads which could be motivate positive outcomes on these variables. Perceived product quality (quality) can be clear as a generally finding of a brand's superiority or dominance of presentation (with regard to its planned reason) virtual to substitute brands. Customer's perceptions of product quality are measured to be a key determinant of shopping attitude and goods and services options (Zeithaml 1988).

Perceived product uniqueness (unique) can be clear as the extent to which consumers feel the goods/product is dissimilar from rival goods/products.

Brand discrimination is middle to the brand-building process. (Maison, Greenwald and Bruin, 2004).

This research is focusing to test how advertising tools or cues influenced customer's perception and attitude of risk earlier to buy. In particular, this study focuses on pre-purchase behavior such as product's perception and attitude. This study is focusing that event sponsorships and celebrity endorsement these two communication or advertising tools influence consumers buying behavior more than do other types of advertising tools or cues. Customers depend on these two cues because these are based on stars and event such that cricket stars, film stars and models and also the big events like cricket matches. However, both have a significant impact on customer perceived risk. Pre-purchase information processing is straightly connected to dropping customers risk perception. In particular, advertising process linked with manufactured goods performance and it plays a vital role in dipping customer's perceived risk. Pre-purchase behavior was defined as a sequence of information processed according to customer-specific purposes. Customers have particular distinctiveness that is known with best information from wealth and customers deeds depending on their own known condition. (Heerden, Kuiper & Saar, 2008).

In other words event sponsorships and celebrity endorsement have been become one of the most famous techniques of marketing in current time in the market. These both tools have become a fashion and taking as a successful formula for market the product and Services to building consumers satisfaction and also have an impact on consumer's pre-purchase

attitude towards the products and services. (Ranjbarian, Shekarchizade, Momeni, 2010).

The majority study reports and articles managing consumer perceived worth situation in the Opening that the rivalry is extra rigorous now than it is ever before due to the growing reduction of the world geographically, logistically and rationally and due to immediate knowledge trade is easier and quicker via the internet and e-mail. Since because of the development in the logistical system and shipping, deliverance times have reduced and consumers are more and more challenging. In other words, the life cycles of goods and services are now very lesser than it's before and innovative ideas come into view more quickly. Innovative and different manufactured goods are not stay in the market for so long as innovative and different. since the offering and number of substitute products and services are growing in number and customer are getting become very challengi8ng day by day so the firms are in growing force to expand more and more attractive goods and services than their rival's option so that the customers were decide their goods and services and plus these all are in affordable prices for the target market. The growing options and rising demand of customers are identified in the literature on consumer perceived value and the consumer must be at the centre of all process while the aim of firms is to increase and remain their consumers. In order to raise the attention in firm's goods and services the firms must incessantly expand their options so as to go around the competing choices from the consumer perspective. (Venkatesan 1966).

CHAPTER 3: RESEARCH METHODS

This chapter covers the detail information regarding problem statement, research questions, and objective of this study, research hypothesis, data collection, sample size and technique. It also includes the tool which has been used in the study.

3. 1 Research Questions

1) What is the impact of celebrity endorsement on consumer pre-purchase behavior?

What is the impact of event sponsorships on consumer pre-purchase behavior?

3. 2 Objective of this Study

This research is focused on the impact of event sponsorship and celebrity endorsement on Pre-purchase attitude of consumers. The major reason of this research is to find out whether event sponsorship and celebrity endorsement affect consumer pre-purchase decision or not as well it increase the purchase-intent of the buyer or not.

3. 3 Method of Data Collection

There were two types of sources available for data collection one is primary and other is secondary to gather data information, in this study both tools have been used to collect data. Primary depends on survey through questionnaire and secondary depends on data collection through research articles, journals and internet.

3. 4 Sample Size

The sample is drawn on the basis of convenience i. e. Convenience Sampling method

is followed. A questionnaire is filled by 100 respondents.

3. 5 validity and reliability test

The questionnaire testing is used to check the weakness in design and instrument. Pre-testing is referred to check questionnaire on small sample size i. e. 15 or 20 to delete the potential problems. 20 questionnaires were filled from consumers to check the reliability of the questionnaire.

3. 6 Research & Testing Instruments

Regression model is used to find out the dependency between pre-purchase and celebrity endorsement and event sponsorships. Multiple Linear Regression technique is used to evaluate the impact of event sponsorships and celebrity endorsement, two independent variables (celebrity endorsement and event sponsorships) and one dependent variable (pre-purchase behavior) have been used. Therefore, MLR is the best tool to evaluate this type of data.

CHAPTER 4: RESULTS

The impact on consumer's pre-purchase behavior is determined by the dependence technique which is Multiple regression analysis, this technique is used to predict the amount of variation in dependent variable due to the any changing occurs in independent variables and correlation gives the strength of relationship between independent variable and dependent variables.

Multiple regression analysis is most useful method especially in business Its uses range from the most general problems to the most specific.

Multiple regression analysis is a general statistical technique used to analyze the relationship between a single variable and several independent variables.

Regression model is used to study how consumers make decisions or from impressions and attitudes. Other applications include evaluating the determinants of effectiveness for a program.

4. 1 Data Analysis and Findings

Model summary

Model

R

R Square

Adjusted R Square

Std. Error of the Estimate

1

. 672a

. 452

. 440

. 56492

Summary of table 4. 1. 1

This table is showing the variation in dependent variable which is pre-purchase attitude due to the predictors or independent variables which are celebrity endorsement and event sponsorships. So here got high value of R 0. 672 or 67. 2 percent. This indicates that there is strong positive relationship. Adjusted R Square is . 440 this indicating the . 440 or 44. 0 percent variation in dependent variable due to the predictors and remaining is un-explained.

Adjusted R square is modified measures of the coefficient of determination that takes into account the number of independent included in the regression equation and the sample size.

Anovas**Model****Sum of Squares****Df****Mean Square****F****Sig.****1****Regression****25. 506****2****12. 753****39. 961****. 000a****Residual****30. 956****97****. 319****Total****56. 462****99****a. Predictors: (Constant), sponsorships, celebrity**

b. Dependent Variable: purchase**summary of table 4. 1. 2**

The ANOVA table assesses that the model is fit and it had been accepted according to statistical perspective. Whereas the ANOVA table was a helpful test of the model's capability to give details of variation in the dependent variable, it had not straightly deal with the strength of that association between the variables.

This table showed us that this model was applicable for regression model as the significant value is less than 0. 05, therefore proceed further. Significance value is <0. 05 that is 0. 01 which mean model was fit and regression is required.

Coefficients

Model

Unstandardized Coefficients

Standardized Coefficients

t

Sig.

Collinearity Statistics

B

Std. Error

Beta

Tolerance

VIF

1

(Constant)

. 661

. 266

2. 487

. 015

celebrity

. 184

. 096

. 150

1. 921

. 058

. 928

1. 077

sponsorships

. 752

. 095

. 616

7. 898

. 00