



# Jai Maa Saraswati Gyandayini

An International Multidisciplinary e-Journal


(Peer-reviewed, Open Access & Indexed)

Journal home page: [www.jmsjournals.in](http://www.jmsjournals.in), ISSN: 2454-8367

Vol. 08, Issue-III, Jan. 2023



## Youth Purchasing Preferences in Rural Areas and Advertising Effects of Celebrity Endorsements

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### KEYWORDS

Celebrity endorsement, rural areas, youth preference, purchasing decisions, advertisements.

### ABSTRACT

The modern era of marketing is highly driven by the competitive force which has taken it to a different level. Advertising is one of the basic needs for every organization to promote its products. Celebrities are considered to be one of the major contributors in creating a huge market for a brand and its manufacturers. Being ideal for many, they can influence the perception of the buyers towards a product. Rural consumers comprise a huge population of consumers in India. Their buying decisions are influenced by several factors making it a matter of study. This research aims to investigate how celebrity endorsements in advertising affect the purchasing behavior of young consumers residing in India's rural regions. For this, a study is conducted on young buyers from the rural areas of Punjab.

### INTRODUCTION

Advertising acts as a fuel in the engine of product and economic development. It is that source of information that has not only the ability to introduce new products but also to create awareness and comparisons within available products in the market. A Forbes article (2014) stated that “advertisement plays the same role in your media diet, that vegetables play in your regular diet”, it provides information to the buyers and creates awareness among them in various issues by educating them how to deal with it through different financial products available in the market. Employing celebrities in advertising has emerged as a prevalent strategy to promote a product, it is believed to create trust in the product which results in an enhanced selling of that product. Various products in India are using many celebrities such as film stars, television stars, sportspersons, etc to promote their products. A celebrity is an individual who has achieved widespread public recognition and adoration within a sizable group of people. When this recognition is leveraged in the world of advertising to sway the purchasing decisions of buyers, it is referred to as celebrity endorsement. In essence, this marketing strategy involves utilizing the fame and appeal of a celebrity to promote a product or service in hopes of appealing to the target audience and increasing sales. By aligning themselves with well-known and respected figures, brands can potentially tap into the power of celebrity and gain a competitive edge in the market. (McCracken, 1989). In the contemporary market, celebrities are a common feature that becomes the face for the products as well as for the brands and their organizations too (Ilicic & Webster, 2011). However, the use of celebrities in advertisements and marketing communications is not a new phenomenon (Kaikati, 1987), it has

influenced a large number of buyers' perceptions since older periods. The aim of this study is to determine if celebrity endorsement has a positive impact on the purchasing decisions of rural buyers in India.”

### LITERATURE REVIEW

Keller, (2008) Brands can benefit from increasing public awareness and obtaining good connotations from celebrities in order to establish a good brand image that will lead to the strengthening of a brand's equity in the future.

Choi & Rifon (2007) There are various advantages to utilising celebrities in ads. A celebrity's ability to capture the audience's interest increases the likelihood that the brand will successfully convey its message.


Philip et al (1996) Advertising has become more difficult as a result of recent technology advancements. By attracting greater customer attention, superstars assist to reduce unwanted noise in the communication process.

Vipal Jain (2011) This study supports the notion that consumers are driven to acquire things as a consequence of celebrity endorsement. According to the study, celebrity endorsement also aids in brand promotion. Respondents also strongly think that celebrities help a product's brand equity.

Varsha Jain and Subhadip Roy (2010) According to the study, national celebrities outperform regional celebrities in terms of influencing favourable customer attitudes. When a national or local celebrity is present, consumers in the high and low participation product categories are more receptive to new items. When contrasted within product categories, however, it has a greater influence on low involvement items (soft drinks) than on high involvement products (car).

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DOI: <https://doi.org/10.53724/jmsg/v8n3.10>

Received 20<sup>th</sup> Dec. 2022; Accepted 25<sup>th</sup> Dec. 2022; Available online 30<sup>th</sup> Jan. 2023

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Karen E. Lear, Rodney C. Runyan and William H. Whitaker (2009) This paper looked at sports celebrity endorsements in retail product advertising to find out how effective they are. The results of this study indicate that celebrities are more likely to endorse products that are ultimately sold by retailers.

Subhadip Roy (2006) this study raises questions and strives to give answers. The issue is about assessing the compatibility between the celebrity and the products she/he endorses. According to the findings, consumers evaluate celebrities and brands differently.

**OBJECTIVES**

- To study how celebrity endorsements in commercials affect Indian rural consumers' purchasing decisions.
- To determine whether celebrities can influence the product's perception.

**RESEARCH METHODOLOGY**

In order to investigate the impact of celebrity endorsements in advertising, this study sets out on a noble quest to explore the perceptions of rural youth towards these marketing tactics., by examining the various attributes that shape their views of a product, and to accomplish this goal, a representative sample of 100 rural youth from the Punjab region was obtained for the study, which is designed to be quantitative in nature, with buying decisions as the dependent variable and celebrity endorsements as the independent variable, and the correlation between these variables is established through the application of statistical tools.

This study's data was gathered via a questionnaire that used Likert's seven-point scale. The SPSS statistical software was utilized to analyze the data, employing correlation analysis to determine the association between variables. Additionally, the ANOVA test was conducted to evaluate the hypothesis. The reliability of the data was measured by employing Cronbach's Alpha, while a conceptual model was constructed to evaluate the significance of variables and to test the hypothesis.

The Influence of Celebrity



(Reliability, Likeability, Attractiveness) Purchasing Decisions

**HYPOTHESIS**

The aforementioned explanation gave rise to the following research hypothesis, formulated to achieve the research objectives at hand:

The null hypothesis, H0, postulates that no meaningful correlation exists between the use of celebrity endorsements in advertisements and the purchasing decisions of rural youth.

Conversely, the research hypothesis, H1, contends that a significant relationship does indeed exist between these two variables.

**DATA ANALYSIS**

An overview of the respondents' demographic characteristics indicates that out of 113 distributed questionnaires, 104 were returned by the

respondents. However, 4 responses were disregarded as they were incomplete or irrational. As a result, 100 complete and sensible responses were used for the analysis. The final selected responses to the questionnaires revealed that 32% of the respondents were female, while 68% were male.

The obtained Cronbach's Alpha value of 0.826 is deemed adequate since it exceeds the recommended benchmark of 0.7. The decision to purchase a product is influenced by a range of factors, including socio-cultural, personal, and psychological factors (Srivastava, 2017). The results from the primary data analysis are presented below:

**Table 1: Regression Analysis between celebrity endorsement and purchasing Decisions**

| Model | R     | R <sup>2</sup> | R <sup>2</sup> (Adjusted) | Standard error of estimate |
|-------|-------|----------------|---------------------------|----------------------------|
| 1     | 0.874 | 0.764          | 0.745                     | 875.780                    |

Source: Compiled from SPSS

The coefficient of correlation, commonly referred to as the R-value, serves as a metric of the strength of the relationship between two variables. Notably, the present R-value is substantial, registering at 0.874, thereby evincing a noteworthy association. Conventionally, an R-value above 0.5 is considered advantageous. In terms of R-square, this measure quantifies the proportion of variation in the dependent variable that the independent variables account for. A value exceeding 0.5 signifies the efficacy of the model in establishing the correlation. The current R-square value of 76.4% therefore demonstrates an impressive degree of variance explained by the dependent variable. Adjusted R-square, on the other hand, characterizes the model's potential generalizability, and highlights the disparity between R-square and Adjusted R-square. It is pertinent to note that in the present context, the Adjusted R-square value of 0.745 is lower than the R-square value.

**Table 2: Result of ANOVA test in Regression Analysis**

| ANOVA test |                |    |             |         |        |
|------------|----------------|----|-------------|---------|--------|
| Model      | Sum of Squares | df | Mean Square | F       | Sig    |
| Regression | 90.989         | 1  | 90.989      | 156.076 | 0.000* |
| Residual   | 28.543         | 49 | 0.585       |         |        |
| Total      | 119.531        | 50 |             |         |        |

Source: Compiled from SPSS

The null hypothesis posits that there exists no noteworthy correlation between celebrity endorsement and advertising and the buying decisions of rural youth consumers, was tested using an ANOVA test. The outcomes demonstrate that the computed F-value surpasses the

predetermined threshold value, thereby bolstering the rejection of the null hypothesis. Thus, the alternative hypothesis, which posits a notable correlation between the two factors, is accepted. This supports the conclusion that celebrity endorsement in advertising has a significant impact on the purchasing choices of young rural consumers.

## CONCLUSION

Celebrity endorsement is a distinctive aspect of contemporary marketing, as it not only attracts buyers but also leaves a lasting impression on their minds (McCracken, 1989). However, the study suggests that while other factors also contribute to positive purchasing decisions, celebrity endorsements have a significant influence on the mindset of rural consumers in India. Using celebrities to promote products has become a common practice for building the image and reputation of brands and organizations.

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