

The Impact of Negative Publicity on Customer Purchase Decisions in Developing Indian Markets: The Role of Celebrity Endorsement

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Abstract

India is known for cherishing its stars and more populace of youth. The instrument of celebrity endorsement underwriting has these days turned into an unavoidable component in promotion and brand communication. Regardless of the expense and the risks implied with this strategy of promoting, it is been utilized widely in the current times. A lot is at stake when it comes to celebrity endorsements with negative publicity as it can risk alienating them just as much as they entice them. This research paper studies about an analysis to test the effect of negative exposure on superstar advertisement supports and the degree to which it impacts mentalities toward a celeb and how much this impacts consumer's involvement whether it is high or low and its effect on brand's image.

Keywords: Celebrity Endorsement, Consumer Attitude, Negative Publicity, Brand Image

Introduction

In India, the trend of celebrities being employed for services other than their actual jobs as actors or athletes, such as sponsorships, has grown in popularity throughout time. In today's environment, most business enterprises' current marketing strategies rely heavily on creative advertising to advertise their products to their target markets. Celebrities used in the advertising process will

provide businesses an edge in retaining customers' focus. Introduction of celebrity endorsements, several businesses have begun to believe that celebrities can help establish brands and the corporate image.

A celebrity is someone who has a lot of public recognition from a wide number of people and uses that popularity to promote a commercial product by appearing in advertising with it. (Mc Craken 1989). The employment of celebrities in advertising has a favorable impact on consumer brand attitudes and purchase intentions. Many firms employ actors and cricketers to promote their products in order to increase sales. Celebrities are people who are recognized by a huge number of people from various backgrounds and have certain distinguishing characteristics, such as attractiveness, an out-of-the-ordinary lifestyle, or unusual skills. They are frequently recognized by the general public for their achievements in areas other than the brands they promote. The thought is that celeb support is utilized to give a brand advantage over the contenders. Celebrity endorsement is considered as one of the incredible assets took on by the organizations to highlight their image in the consumer market.

Many studies have been conducted in this field, with the conclusion that celebrity endorsement has a decent influence on customers' attitudes and buying intention. The consumer's view of the marketed product is influenced by the celebrity's physical attributes, credibility, and congruence with the sponsored advertisement. An endorsement by a celebrity is most effective if it is used repeatedly over time to solidify the bond between the celebrity and brand, and it greatly improves the visibility of that product.

Nowadays, every company's marketing department is having a tough time connecting with their target market. Due to the enormous influx of information into society and people becoming more conscious and picky about their demands, the competition for the maximum exposure of customers is growing more intense. Many marketers fall prey to the vampire effect of their commercials in order to thrive in this competitive race and set themselves distinct from the competition. It occurs when tactics are used to attract customers' attention, but they end up diverting their focus away from the offer.

Advertisements featuring celebrities have a significant impact on consumers' memory and learning styles. Majority of the people come across a brand's messaging, they aren't in the market to buy anything. Marketers utilize celebrity endorsement to understand how consumers recall information that is important to them in purchasing circumstances. Certain factors, such as celebrity product compatibility, trustworthiness, attractiveness, target customer compatibility, credibility and price

consideration, are used to determine whether a celebrity and a brand are complementing each other or not. Marketers develop strategies to make advertising more credible and increase brand identification among consumers. Nonetheless, if a direct relationship between a celebrity and a business brand has been established, unfavorable information about the celebrity may be transferred to the brand that is endorsed.

Every brand aims to take a small bit of a person's time in order to teach him about the current product's amazing and unique features. The advertiser's challenge is to find a hook that will keep the subject's attention. The use of celebrities to endorse a brand is a widely used advertising strategy for doing this. Celebrity Endorsement is a cutting-edge approach for promoting a brand. This strategy is used to promote products that are either domestic or lifestyle-oriented. Given the importance of celebrity endorsements, little efforts were made to assess the possible influence of adverse celebrity publicity, celebrity endorsement, consumer perceptions of the brand following the publicity crisis, and purchasing intentions. Furthermore, there is no data on the impact of celebrity-brand synchronicity and adverse publicity on customer purchasing intentions.

Huge repercussions were faced by celebrities due to negative publicity such as Deepika Padukone, who was celebrating the huge success of Padamaavat plummeted to number ten from number five. None of her film released, and her earnings, dropped from Rs 112.8 crore to Rs 48 crore, were primarily derived from endorsements including Tanishq, Tetley Green Tea, and L'Oreal Paris, and also her own fashion label, All About You because of her appearance in support of JNU students. Salman Khan's brand endorsement contract with Coca-Cola was not renewed. The contract was terminated as a result of the actor's support for Pakistani artists, a rape joke made at a film promotion event, Black Buck case and the hit and run case in 2002.

After making a remark on the country's growing intolerance, actor Aamir Khan was withdrawn as Snapdeal's brand spokesperson. It is well known news that Aamir Khan is no longer the face of Incredible India. Initially, reports stated that he was fired due of his opinions on 'Intolerance' in India. Twinkle Khanna in protest against CAA, NRC, and NPR said that "Discrimination based on race, colour, caste, religion, and other such societal constructs, in which ever shape it takes, violates the basic moral dignity of the human community. Parle Platina, Kohler, P C Jewelers, L'Oréal Professional, Fortune Biryani Classic Basmati Rice, Airbnb, Fabindia, and the Lodha Group are among the brands she promotes. She was even arrested for unbuttoning Akshay Kumar's pants in public for a fashion show in which Akshay Kumar was the brand ambassador of a famous jeans brand Levis.

After the match-fixing scandal surfaced in 2013, S. Sreesanth witnessed Nike and Muthoot bid him farewell. After the uproar over his statements on the television show Koffee with Karan arose, Gillette dropped brand ambassador Hardik Pandya. He was banned from the Australia tour, and the brand image of Indian cricketers Hardik Pandya and KL was tarnished. After being pulled into the betting and match fixing incident, Indian cricketers Mohammed Azharuddin and Ajay Jadeja were also banned by BCCI. They were condemned by the whole nation.

According to the research, celebrity endorsement is critical for product popularization. This research paper is a detailed experiment to see whether unfavorable publicity has an impact on endorsements by famous celebrities. It is further investigated to what degree negativity effects attitudes about celebrities and to what extent this influences consumers purchase decision. Do situations like having an adulterous affair, a drunken driving incident, violation of professional ethics or casting couch affect the buying behavior of the consumer?

Literature Review

One of the key reasons for adopting celebrity endorsement, according to McCracken (1989), is to improve the product image by conveying the symbolic importance from the celebrity to the product. Celebrity endorsement boosts brand recognition and awareness of the product or brand, according to the researchers. Celebrity endorsement is becoming increasingly important as part of a comprehensive marketing communication plan. According to Hamish and Pringle (2004), there are three macro variables in the market today that support the viability of celebrity endorsement as a marketing approach. The first factor is the growing opportunity for businesses and their customers to interact. The second condition is the current "period of permission," in which customers have more influence over the information they receive. Finally, there's the growing segmentation of media and commercial communication cacophony. (2006) (Temperley and Tangen) Pappas (1999) looked at the value of celebrity endorsements and how well-planned advertising may help celebrities turn their stardom into brand equity.

The effects of celebrity endorsement and the possible influence of bad publicity on consumer buying decision or beliefs in a developing market of India are investigated in this study. According to the study, a celebrity endorser with attraction, reliability, and recognition has a beneficial impact on consumers' assessment of quality, buy inclinations, and loyalty towards the brand. Negative publicity from a celebrity endorsement, on the other hand, had no influence on customer purchase intent. According to a number of studies, the usage of superstars serves as a conceptual

framework for improving sentiments about advertisements. This commercial psyche is viewed as a psychological situation that people use to organize how they perceive their environment and manage how they react to them (Haghirian & Madlberger 2005).

In addition to the instinctive justifications that justify this behavior, researchers have undertaken sufficient empirical study to articulate the benefits of paid advertisements by celebrities. (Till & Shimp, 1998) It has been noticed that the existence of a well-known personality aids throughout the resolution of the problem of over communication, which has become increasingly common these days. 2005 (Kulkarni & Gaulankar) Advertising has become increasingly difficult due to increased consumer power over programmed advertisements. A celebrity endorsement technique is viewed as beneficial to alleviate this risk and to assist establish and sustain customer's attention to commercials. It is believed that celebrity endorsements have the power to make ads stand out from the crowd, leading to better communication by cutting unwanted noise in the process of communication (Sherman 1985). In the face of a destroyed company image, appointing a celebrity to rebuild it is also a viable option. The use of celebrity endorsement aids in the polishing of a company's image. (Erdogan et al., 1999) Certain researchers have identified characteristics such as trustworthiness, resemblance, likability, and expertise that lead a celebrity to act as a persuading resource, resulting in a sense of assurance. (Mustafa, 2005)

Both celebrity-brands are interconnected and positive publicity was found to influence attitudes about the celebrity and brand in a positive manner in this study. It has been demonstrated in many studies that a favorable impression of the celebrity endorser makes the brand more appealing to the customers (Thwaites et al. 2012), the influence of celebrity-brand alignment was more relevant in forecasting brand personality to the public exposure.

Every single day, when individuals go online or switch on their televisions, these people are swamped with commercials from popular and lesser-known companies. This overabundance associated with advertising helps it be challenging for a business to carve away a definite specialized niche in the marketplace and attract client's attention (Rodgers in addition to Thorson 2000). Regarding decades, celebrities have got been deployed being a marketing strategy in order to facilitate businesses or perhaps products, and like a result, that they have work as a important aspect of modern day marketing (McCracken 1989). Specifically, utilizing super star endorsers to sell off products via on the net social networks has changed into a critical process throughout marketing strategy together with a lot more effective way than virtually any other sort of promotion (Li et approach. 2012). Public awareness of a super star may be transferred to be able to the advertised

product or service, and if a immediate relationship involving a high profile and some sort of brand is proven, negative news concerning the celeb may be reflected on typically the brand endorsed (Till and Shimp 98; White et approach. 2009). With regard to instance, Salman Khan, an Indian movie, was enmeshed in one of the most high-profile celeb scandals of 2002, which impacted the company image this individual sponsored (Hawkins et al. 2012). The particular bad publicity encircling his culpable homicide case had an effect on the brand and how it was perceived in many of his endorsement arrangements. This individual endorsed Coca-Cola at that time. Therefore, celebrity endorsement might be a highly effective marketing tactic because celebs are generally considered as both attractive and likeable; yet, negative press about the celebrity endorser may adversely impact customer sentiments towards the brand (Thwaites et al. 2012).

Advertisements instill in people a desire to imitate the celebrity in question. Furthermore, while choosing a celebrity, one must consider the consumer's characteristics first, and then consider the celebrity for endorsement. Whenever a celebrity endorses a product, the consumer's personality is portrayed as imitating the celebrity. However, purchasers should forget about the goods if they are emulating the persona or attitude in any way. When a customer impersonates a celebrity or a figure in an advertisement, they develop an attitude, which influences their decision to purchase. 2015 (Awasthi &Choraria).It is not difficult to find reasons for the increased usage of celebrities in commercials in India, as Indians have always admired the stars of the silver screen. In contrast to their international equivalents, they have always elevated their celebrities and presided over them with glory, treating them as if they could do no wrong. Nevertheless, lot of people are seen adoring, emulating, and becoming captivated with one's favorite celebrities, which is why celebrity endorsement is such a popular advertising strategy (McCutcheon and colleagues, 2003).This statement is correct for esteemed celebrities like Salman Khan, Katrina Kaif models like Karan Oberoi, sports athletes like Saina Nehwal, Sachin Tendulkar, Virat Kohli, M. S. Dhoni, Mary Kom and entertainers like Kapil Sharma, as well as giant corporate like Adanis and Ambanis and politicians like Shashi Tharoor.

The current trend of ever-increasing digital media intrusiveness, there has recently been a surge in curiosity in negative publicity about famous people which are major brand or product endorsers. Langmeyer and Shank (1993) and Trippet al. (1994) recommended that customers' unfavorable and favorable impacts of your celebrity endorser might be sent to a brand that is backed. The influence of negative information about celebrity endorsers, Right up until and Shimp (1998) uncovered which a lower analysis of the celebrity could certainly lead to lessen brand assessment through the

series of tests utilizing fake businesses and celebrities. Using a cognitive memory model, they uncovered that the magnitude to which negative reports about a movie star endorser influences your brand also impacts how much association consumers have with the brand and the endorser, and also time, with a greater detrimental influence on the brand if the negative information is famous before or after the endorsement.

When a company uses a celebrity endorser, there are various advantages. Like for instance, the celeb can build stronger bonds with the focus brand, making it easier to advertise a specific product or brand. Yet, complications might develop when celebrities are involved in widely publicized acts that embarrass or disgrace them (Louie and Obermiller 2002, p.41). Studies observed very little proof that negative incidents involving a celebrity endorser of a product had a negative influence on customer's lack of conviction on celebrity endorsements. (Bailey 2007)

Research Methodology

This work is an attempt to explore that how negative publicity of celebrity impact the purchase decision of a customer in Indian market. To analyze the impact of negative publicity by celebrity, the primary data is collected on ten different components in the form of question. The sample is collected randomly form 50 respondents on these 10 components including some demographic details such as gender, age, education level and occupation. The factor analysis is used to explore the effective component, which have high impact on customer’s purchase decision. Data is analyzed with the help of SPSS.

Data Analysis

In this paper it is attempted to explore the impact of negative publicity of celebrity on the purchase decision of a customer. The geographical scope of this paper is Indian market. There are different 10 components to analyze the negative publicity impact of celebrity on customer purchase decision. On a five-point scale, data is collected from 50 respondents (Likert Scale). The data is analyzed using principal component factor analysis, which identifies the relevant factors among the components.

Table 1: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.637
Bartlett's Test of	Approx. Chi-Square	539.474

Sphericity	df	45
	Sig.	.000

Table 1 above shows the KMO test for sample adequacy. As per table 1 above the value of KMO Measure of Sampling Adequacy is 0.637, which is more than 0.50. It reveals that factor analysis can be applied for this work. Another condition for factor analysis is that Bartlett’s Test of Sphericity (Chi-Square) value must be significant. As per table 1 the value of Chi-Square is 539.474 which is significant at 5 percent level of significance. On the basis of above tests, it is evident that factor analysis can be applied for the present work.

Table 2: Communalities

	Initial	Extraction
		n
Do you believe your favorite celebrity portrays the endorsed brand image in a positive manner?	1.000	.721
Is celebrity attractiveness associated with a higher likelihood of purchasing products promoted by celebrities?	1.000	.799
Is celebrity credibility associated with a higher likelihood of purchasing things promoted by celebrities?	1.000	.700
Do you think a celebrity's bad PR tarnishes the image of the product or brand they're endorsing?	1.000	.723
Do you believe that a brand loses its credibility if endorsed by an ill-famed celebrity?	1.000	.872
Do you believe that celebrity attractiveness overpowers the negative publicity while making a purchase decision?	1.000	.701
Do you believe that image change of a celebrity can affect consumer buying decision?	1.000	.915
Do you believe that celebrities transfer their reputation to products or brands?	1.000	.909

Do you believe that "bad publicity" regarding a celebrity endorser can impact your purchase decision?	1.000	.751
Will you stop buying a product if a celebrity who endorses it is embroiled in a scandal?	1.000	.676

Extraction Method: Principal Component Analysis.

The communities between the various factors are shown in the table 2 above. Each factor has a one-to-one correlation with itself. If we look at the table above, we can see that the factor 'Do you believe that a celebrity's image change can affect consumer buying decisions?' has a maximum value of extraction of 0.915, indicating that this factor is highly effective and that a celebrity's image change has an effect on consumer buying decisions. Another aspect, 'Do you feel celebrities transfer their reputation to products or brands?' also contributes to the major reputation transfer to a product or brand. This factor's extraction value is 0.909.

Table 3: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6.051	60.514	60.514	6.051	60.514	60.514
2	1.715	17.148	77.662	1.715	17.148	77.662
3	.689	6.887	84.549			
4	.633	6.326	90.875			
5	.307	3.068	93.943			
6	.270	2.701	96.644			
7	.167	1.672	98.316			
8	.101	1.010	99.326			
9	.048	.477	99.803			
10	.020	.197	100.000			

Extraction Method: Principal Component Analysis.

The variation of all the elements that are important for competency mapping is shown in table 3 above. On the basis of Eigenvalue, a factor can be extracted. The Eigenvalue should be greater than one in order to have an effective factor. In the table above, two factors have multiple Eigenvalues. All of these parameters can extract roughly 77.662 percent of total sums of square loadings. Based on this, we may conclude that two elements are quite important; indicating that a celebrity's image has a substantial impact on a customer's purchasing decision.

Figure 1: Scree Plot

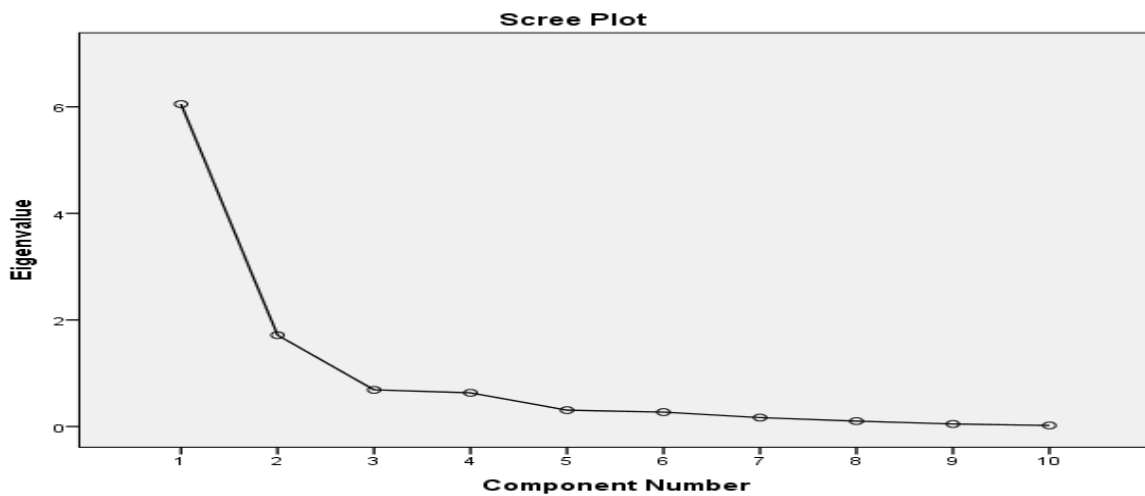


Figure 1 shows graphical representation in the form of Scree Plot of factor loading, which have

Table 4: Component Matrix^a

	Component	
	1	2
Do you believe your favorite celebrity portrays the endorsed brand image in a positive manner?	.849	.004
Is celebrity attractiveness associated with a higher likelihood of purchasing products promoted by celebrities?	.892	-.058
Is celebrity credibility associated with a higher likelihood of purchasing things promoted by celebrities?	.794	-.262
Do you think a celebrity's bad PR tarnishes the image of the product or brand they're endorsing?	.847	-.082

Eigenvalue more than 1.

Do you believe that a brand loses its credibility if endorsed by an ill famed celebrity?	.926	-.120
Do you believe that celebrity attractiveness overpowers the negative publicity while making a purchase decision?	.837	.011
Do you believe that image change of a celebrity can affect consumer buying decision?	.319	.902
Do you believe that celebrities transfer their reputation to products or brands?	.353	.885
Do you believe that "bad publicity" regarding a celebrity endorser can impact your purchase decision?	.855	-.142
Will you stop buying a product if a celebrity who endorses it is embroiled in a scandal?	.820	-.062

Extraction Method: Principal Component Analysis.

a. 2 components extracted.

The loading of several factors in the extracted factor is shown in table 4 above. The factor analysis extracts two factors from the data. The loadings of various factors in extracted factors are explained in this table. The high correlation between factors and extracted factors is explained by the high loading in a factor.

Conclusion and Discussion

Findings in this research paper reveal that the unfavorable celebrity exposure has an impact on customer purchasing intent. The purchase intentions of customers who had been exposed to negative celebrity publicity were less than those who had not been involved. The meaning transfer model can explain this result in a more elaborated way. It is believed that when a superstar or any celebrity has slightly controversial image, the bad connotation could be transmitted to the product endorsed. As a consequence, this may lead to a more unfavorable buying intention. According to the research, it's also preferable for the business to include a clause in the contract of employment that in any event where the celeb is engaged in some kind of a controversy or receives unwanted adverse publicity.

Scope for Further Research

This paper guides future research to investigate the effect of celebrity endorsement used by a brand and how it affects the purchasing behavior of the consumer if the celebrity is involved in any kind of negative publicity or controversy. To widen the scope of research more components can be introduced to analyze the effect of negative publicity of celebrity and consumer purchasing intention and its relative effect on the brand. Large sample size can be collected through questionnaire with more components for more brand/product. Other statistical tool such as Multiple Regression Model can also be applied on extracted factors to established relationship between effectiveness of advertisement of a brand or product and factor affecting it.

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