

**VIEWS ON CELEBRITIES PROMOTING BRANDS RESULT AND
IMPACT ON RETURN ON INVESTMENT**

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VIEWS ON CELEBRITIES PROMOTING BRANDS RESULT AND IMPACT ON RETURN ON INVESTMENT

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ABSTRACT

The promotion of brands by celebrities can significantly impact return on investment (ROI), with both positive and negative outcomes. When effectively leveraged, celebrity endorsements can enhance brand visibility, credibility, and appeal, leading to increased consumer trust and higher sales. The association with a well-known figure can elevate a brand's profile and create a sense of prestige, potentially driving a substantial boost in market share. Additionally, celebrities often bring their dedicated fan base, which can translate into a direct and immediate increase in product or service engagement and purchases. However, the effectiveness of celebrity endorsements hinges on a strategic alignment between the celebrity's image and the brand's identity. Mismatches or scandals involving the celebrity can lead to negative publicity, damaging the brand's reputation and diminishing ROI. Moreover, the high costs associated with hiring celebrities can strain marketing budgets, making it crucial for companies to meticulously evaluate the potential ROI before committing to such partnerships.

INTRODUCTION

When celebrities promote brands, it's like a marriage between fame and marketing. The allure of celebrity endorsement lies in their ability to capture attention and influence consumer behaviour. However, the impact on return on investment (ROI) can vary depending on several factors. I'll dive deeper into these aspects for a comprehensive understanding.

- Advertisement, often abbreviated as "ad," refers to a form of communication aimed at promoting or selling a product, service, or idea. It typically involves paid messages delivered through various media channels, such as television, radio, print publications, social media, and online platforms. The primary goal of advertising is to persuade or influence the target audience to take a specific action, such as purchasing a product or supporting a cause.
- Return on Investment (ROI) is a financial metric used to evaluate the profitability of an investment relative to its cost. It is calculated by dividing the net profit generated by the investment by the initial cost of the investment, and then expressing the result as a percentage or a ratio. In simpler terms, ROI measures the efficiency and effectiveness of an investment by comparing the gain or benefit from the investment to the cost incurred to achieve that gain. A higher ROI indicates a more favorable investment outcome, while a lower ROI suggests a less favorable outcome.
- Celebrities often have a significant influence on public perception and consumer behavior due to their fame, credibility, and aspirational appeal. Here's why celebrity endorsements can be so impactful:
 - Attention-grabbing: Celebrities attract attention. Their involvement in an advertisement increases its visibility and likelihood of being noticed by the target audience.
 - Credibility: Celebrities are seen as experts or authorities in their respective fields. When they endorse a product or service, it adds credibility and legitimacy to the brand, potentially boosting consumer trust.
 - Emotional connection: Celebrities evoke emotions and feelings of admiration or affinity among fans. By associating with a celebrity, brands can tap into these emotional connections and create positive associations with their products.

1.1.2 STATEMENT OF THE PROBLEM

The statement of the problem regarding views on celebrities promoting brands and their impact on return on investment (ROI) could be framed as follows:

"In the increasingly competitive landscape of marketing and advertising, the utilization of celebrities as brand endorsers has become a prevalent strategy. However, despite the widespread adoption of celebrity endorsements, there remains a lack of comprehensive understanding regarding their effectiveness and impact on return on investment (ROI). While some studies suggest that celebrity endorsements positively influence consumer perceptions and purchasing behavior, others indicate varying degrees of success and even potential risks associated with this marketing approach. Furthermore, the measurement and quantification of ROI generated by celebrity endorsements pose significant challenges, making it difficult for brands to assess the true value and efficacy of their investment in celebrity partnerships. Therefore, there is a pressing need for empirical research to examine the nuanced views on celebrities promoting brands and their consequential impact on ROI, shedding light on the factors that contribute to successful celebrity endorsement campaigns and providing actionable insights for marketers and brand managers."

1.2 SCOPE OF THE STUDY

The scope of a study on the views of celebrities promoting brands and their impact on return on investment (ROI) could encompass various aspects, including:

1. Consumer Perception: Investigating how consumers perceive celebrity endorsements and whether they believe they influence their purchasing decisions.
2. Brand Awareness: Examining the impact of celebrity endorsements on brand awareness and recognition among target audiences.
3. Consumer Behaviour Analysing whether celebrity endorsements lead to changes in consumer behaviour, such as increased purchase intent or brand loyalty.
4. Social Media Engagement: Assessing the role of social media in amplifying the impact of celebrity endorsements and its correlation with ROI.

1.3 OBJECTIVES OF THE STUDY

Certainly, here are some brief points outlining the objectives of a study on the views on celebrities promoting brands and their impact on Return on Investment (ROI):

1. Assess Consumer Perceptions: Understand how consumers perceive celebrity endorsements and whether they influence their purchasing decisions.
2. Evaluate Brand Image: Examine how celebrity endorsements shape the image and perception of the endorsed brand among consumers.
3. Analyze ROI Impact: Measure the financial impact of celebrity endorsements on a brand's ROI by analyzing sales data, market share, and other relevant metrics.
4. Identify Celebrity Effectiveness: Determine which types of celebrities are most effective in promoting specific brands and products based on factors such as relevance, authenticity, and audience demographics.

1.4 LIMITATIONS OF THE STUDY

While studying the views on celebrities promoting brands and their impact on return on investment (ROI) can provide valuable insights, it's essential to acknowledge some limitations:

1. Generalizability: Findings from a single study may not be applicable to all brands, industries, or consumer demographics. The effectiveness of celebrity endorsements can vary depending on factors such as the type of product, target audience, and cultural context.
2. Subjectivity: Views on celebrity endorsements are subjective and influenced by individual perceptions, preferences, and biases. It can be challenging to measure and quantify these subjective opinions accurately.
3. Causality vs. Correlation: Establishing a direct causal relationship between celebrity endorsements and ROI can be complex. Other factors, such as market conditions, competitive strategies, and external events, may also influence ROI.

1.5 METHODOLOGY OF THE STUDY

According to the American sociologist Earl Robert Babbie, “Research is a systematic inquiry to describe, explain, predict, and control the observed phenomenon.

SAMPLE DESIGN

- Borwankar says that Research design is the plan, structure, strategy and. investigation concaved to obtain search questions and control variance”
- The present study is based on a descriptive research design.

1.6 PERIOD OF THE STUDY

The present study entitled “Views on Celebrities Promoting Brands Result and Impact On Return on Investment ”was carried out from December 2023 to May 2024.

SOURCES OF THE DATA

Both primary data and secondary data were used for the study.

TOOLS USED

The rules of statistics in research are to function as a tool in designing research, analyzing the data, and drawing conclusions from the research by converting large volumes of raw data into meaningful results that can be easily read and used for future analysis. The tools used are:

1. Simple percentage
2. Rank Analysis

2.1 REVIEW OF LITERATURE

1. **Ramendra Pratap Singh, Neelotpaul Banerjee 2018:**The celebrity credibility scale developed by Singh and Banerjee [Singh, R. P., & Banerjee, N. (2018). A study on exploring the factors influencing celebrity endorsement credibility. *Global Business Review*, 19(2), 494–509.] which is validated in the Indian context with the addition of some items based on Indian culture and psychometric properties is further tested. The scale items are earlier tested in general terms without any reference to a celebrity. For this study, four major two-wheeler brands in India, which are endorsed by celebrities, are considered. The present study consists of 380 participants. This study tries to explore the influence of celebrity credibility on consumers' brand attitude and advertisement attitude. Subsequently, the influence of brand attitude and advertisement attitude on consumers' purchase intention is studied. The study reveals celebrity credibility has a significant influence on consumers' attitude towards the brand and advertisement, also in the case of purchase intention; both brand attitude and advertisement attitude built on celebrity credibility has positive significant influence. The present study supports the celebrity credibility scale items of Singh and Banerjee (2018). The overall effect of celebrity credibility is positively significant with other constructs; this proves that the scale items are robust and relevant in clarifying celebrity credibility properly.
2. **Lie, Sherina Aprilla Marmora, Fitr Aprilianty2022:** Digital marketing that has been rapidly used these days such as social media marketing, specifically influencer marketing on Instagram, has a positive opportunity for promoting a brand. However, brands have a big challenge in determining which influencers are right to use to maximize their return on investment. Based on the cases of PT. Mustika Ratu Tbk. and PT. Martina Berto Tbk., they have used celebrity endorsements, but it was less effective in boosting product sales. Currently, many local skincare brands are starting to use nano-

influencers to promote their products because of several advantages that nano-influencers have, though there are some drawbacks that marketers must consider. Influencer recommendations can raise consumer awareness and purchase decisions. Thus, this research will examine the effect of nano-influencers' reviews towards consumer purchasing decisions. The survey and interview method will be carried out to collect the data. The population are people in Indonesia who follow and have seen reviews from nano-influencers on Instagram about local skincare products,

3. **Kineta Hung 2020:** Celebrity endorsement (CE) constitutes a popular marketing strategy. A large body of research and practices recognize the salience of celebrity traits such as credibility and attractiveness in enhancing endorsement effectiveness. According to these approaches, celebrity fans are at the receiving end of the marketing strategy, and they function primarily as brand purchasers. Their varied roles in enhancing CE are less understood. Aided by the proliferation of social media, fans are connected nationally and globally to form not only a formidable force but also a talent pool. Together, they play an increasingly important role in the CE process. This chapter investigated the changing role of celebrity fans and their contributions. Both traditional celebrities and social media influencers were examined. In both cases, the fans are active shapers of the endorsement process. This is a recent development, where the celebrity, their fans, and the endorsed brand are forming a co-creation platform. The implications are discussed.

3.1 DATA ANALYSIS

RANK ANALYSIS

SUCCESS OF CELEBRITY ENDORSEMENT CAMPAIGN	1(4)	2(3)	3(2)	4(1)	Total	Rank
Expansion of Customer Base	85 340	10 30	26 52	49 49	170 471	I
Growth in market Share	12 48	82 246	58 116	18 18	170 428	II
Return on investment	60 240	16 48	24 48	70 70	170 406	III
Increase in brand equity	13 52	46 138	78 156	33 33	170 379	IV

INTERPRETATION

It observed from the ranking table that importance when evaluating the success of a celebrity endorsement campaign which is being ranked by the respondents. Expansion of Customer Base- I, Growth in market share-II, Return on Investment- III, Increase in brand equity- IV.

4.1 FINDINGS

It observed from the ranking table that importance when evaluating the success of a celebrity endorsement campaign which is being ranked by the

respondents. Expansion of Customer Base- I, Growth in market share-II, Return on Investment- III, Increase in brand equity- IV.

4.2 SUGGESTION

Certainly! "The Influence of Celebrity Endorsements on Brand Promotion: Analyzing Return on Investment and Consumer Perception" could be a solid topic. You could explore the effectiveness of celebrity endorsements in promoting brands, assessing the impact on the return on investment (ROI) for companies. Consider delving into consumer attitudes and behaviors towards brands endorsed by celebrities, examining how endorsements influence purchasing decisions and brand perception. Additionally, analyzing case studies and empirical data could provide valuable insights into the effectiveness and potential drawbacks of celebrity endorsements for brands.

4.3 CONCLUSION

The impact of celebrities endorsing brands on return on investment (ROI) is multifaceted and dynamic. While such endorsements can significantly boost brand visibility and consumer engagement in the short term, the long-term effects on ROI can vary based on numerous factors, including the authenticity of the partnership, the alignment between the celebrity's image and the brand's values, and the overall marketing strategy employed