

Effect of Celebrity Endorsements & Nepotism During this Covid-19 Pandemic Situation – A transformational Layout

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Abstract

The curse of 2020 –COVID19, affected each and every sectors of our economy a lot. In the today's business world effective endorsement is one of the main keys of success. In the pre pandemic period, Celebrity endorsement is one of the trending marketing strategies to launch a new product or to promote the exits one due to the mass appeal and a world full of star stuck loyal fans of the celebrities who feels that the celebrity endorsed product is the symbol of the status upliftment and more reliable than the common one. But the current crisis all over world affected this conception tremendously and people started to believe their daily influencers more as they are more resalable or trustable to them rather than the celebrities. This changing taste and preference of the customers invaded the effectiveness of the endorsement strategies. Beside this within the flow of COVID-19, it has been experienced that there is a plethora change in the perception of the viewers regarding the celebrities in the Bollywood after the demise of the renowned actor Mr. Sushant Singh Rajput. Therefore, fans became very sensitive to trust a celerity endorsed product. The issue of nepotism in the Bollywood also influenced the nomination of a celebrity as a brand endorser during this changing scenario. The present study intended to explore the effectiveness of the celebrity endorsement as an effective promotional

strategy during the pandemic period by applying Chi square test at 5% level of significance & Cramer's V correlation. Beside this One factor ANOVA, Tukey's Post Hoc test and Wilcoxon signed rank test at 5% level of significance have also been conducted here to analyze the various dimensions relating to the effectiveness of celebrity endorsement during this pandemic period.

Keywords: Celebrity endorsement, COVID19, Nepotism, endorsement strategy, Tukey.s Post Hoc Test

Introduction:

COVID19 pandemic not only creates a dangerous threat for our health but also affected each and every sectors of our economy tremendously – Business is one of them. Marketing is an integral part of business because it affects the consumers' mind and creates a desire of purchasing within them which increase the profit of the business. But this lockdown session and the new normal periods changed many of the previous habits of common mass; even it's also changed the consumers' taste and preference. In the pre-pandemic period celebrity endorsements was one of the attractive promotional strategies but during this crisis period people become more attached with the internet sensations like- popular bloggers or you

tubers, therefore side by side of the celebrity endorsements this things gain the popularity to be used as a medium of promotion. Likewise, the marketing strategies during these crises period also changed as due to this time markets rely on the digital world rather than physical existence. Digital Marketing or online marketing is one of the booming things these days. Digital Marketing is divided majorly into 10 types.

1. Search Engine Optimization (SEO),
2. Pay Per Click (PPC),
3. Social Media Marketing (SMM),
4. Content Marketing,
5. Email Marketing,
6. Influencer/ Affiliate Marketing,
7. Viral Marketing,
8. Mobile Marketing,
9. Radio & TV Ad,
10. Electronic Billboards

Within the flow of COVID19 it has been experienced that there is a plethora change in the perception of the viewers regarding the celebrities in the Bollywood after the demise of the renowned actor Mr. Sushant Singh Rajput. The present paper mainly focused on to identify the suitable and most effective promotional strategy during the period of crisis so that business can find a fruitful marketing strategy to cope up with all the challenges raised due to the pandemic.

Brief Review of Literatures

Jones et al. (2012) presented an overview which shows that, social marketing can be used to tackle the global challenge of pandemic influenza. The pandemic can become a major challenge for the social marketers (along with governments, health services, and businesses). There are many limitations regarding a potential pandemic influenza that makes it practically different to the maximum of the issues on which social marketing has already been applied. The underlying principles of social marketing can also be very much applicable to a global infectious disease outbreak (such as pandemic influenza). Even if the current strains do not become pandemic, social marketers should use this trend to develop & improvise the skills and

resources to address future communicable disease outbreaks. Their paper also applied the concepts of social marketing to various health issues which can become one of the largest global public health crises in history, but which can be tackled with effective global social marketing.

Rajeshkanna et al. (2016) stated that social media endorsements by celebrities and the influencers are not at all a new strategy in this era of digitalization. Celebrities and influencers are already having millions of followers and connections who can be encouraged by them to use that brand. According to the authors, if celebrity endorsements represent the aspirations of potential customers, individuals like them are showing that, people like them also are using that particular brand. As it is known to all, that social media is free, easily accessible and it also have significant capacity to spread ideas all over the world.

Khan et al. (2016) said that celebrity endorsements are used as a major tool in this recent era of digital marketing. Advertisements done by celebrities can make the product more acceptable in modern competitive marketing environment and that can also help the organisation to get strong product attention. The results of their study showed that endorsement through local and Indian celebrities has more or less same and that doesn't make much influence on purchase intention in Pakistan, with no highly difference by country influence of celebrity. In that study, consumer- celebrity relationship is very much judgmental and verify that opinion of celebrity (Local or Indian) are not much important for deciding to buy any existing products. But quality, brand image and brand trust are the most important aspect that can help the customers for their intention to purchase.

Sami et al. (2017) stated that celebrity endorsement has a very strong impact on customers mind as per their purchase intention. Celebrity endorsement has grown as not only an influential factor but also causal factor, according to the results of the paper. Physical attractiveness and personality of celebrity with

reference to the endorsed advertisement all have strong impact on the customer's perception about the advertised product. According to them, celebrity endorsements do results in sales hike. If the customer perceives the physical attractiveness, the match between celebrity and the product can be favourable, so it influence so much that some time customer neglect the futures of product by focusing on the celebrity.

Frimpong et al. (2019) established the importance of celebrity endorsement in an evolving market as an important tool in building the firm's brand image. Their results suggest celebrity endorsement as an important strategic tool to increase brand awareness and to get the attention of consumers, influencing their perception of quality, purchase intentions and loyalty towards the brand. It suggests that managers should select and use celebrities who are perceived by the target market to be attractive, trustworthy and also very much familiar in order to be able to organize persuasive campaigns. It also suggests that the products quality should be tallied with the trust factor of the celebrity endorser.

Objective of this study:

- Analyzing the acceptance of celebrity endorsements as an influencing marketing strategy during the period of COVID19 on the basis of gender
- Analyzing the type of celebrity preferred by the consumers for endorsements during the period of pandemic.

- To show the effect of nepotism on the celebrity endorsements during this lockdown period.

Research Methodology:

- At first a pilot survey has been conducted here within 30 respondents to gather a basic knowledge about the customers' perception regarding the effect celebrity endorsements & nepotism.
- Then on the basis of the factors identified a structured google questionnaire has been prepared to conduct the market survey within 288 respondents.
- The time period of this study is 3 months i.e. July'20 to Sept'20.
- The gathered data have been analyzed by applying the Chi-square test at 5% level of significance and Cramer's V correlation. To measure the acceptance of celebrity endorsements as an influencing marketing strategy during the period of COVID19 on the basis of gender
- Single factor ANOVA & Tukey's Honestly Significant Difference Test have also been conducted here to analyze the type of celebrity preferred by the consumers for endorsements during the period of pandemic.
- Further Wilcoxon Singed Rank Test at 5% level of significance is also applied here to analyze the effect of nepotism on the celebrity endorsements during this lockdown period.

Data Analysis & Interpretation:

1. Analysis of Demographic Profile

Table1.1. Gender

GENDER	FREQUENCY	PERCENTAGE
Male	114	39.58%
Female	174	60.42%
Total	288	100%

Observation: From the above table, it can be observed that 60.42% of the surveyed respondents are female and 39.58% male.

Table1.2. Age Group

AGE GROUP	FREQUENCY	PERCENTAGE
15 – 24	69	23.96%
25 – 34	117	40.62%
35 – 44	76	26.39%
45 & above	26	9.03%
Total	288	100

Observation:The above table shows that most of the respondents belong to the age group 25-34.

Table1.3. Educational Qualification

EDUCATIONAL QUALIFICATION	FREQUENCY	PERCENTAGE
Secondary	24	8.33%
Higher Secondary	30	10.42%
Graduate	177	61.46%
Post – Graduate	57	19.80%
Total	288	100%

Observation: It can be seen from the above data that most of respondents are graduates.

Table1.4. Occupational Category

OCCUPATION	FREQUENCY	PERCENTAGE
Student	88	30.55%
Businessman	48	16.67%
Service-man	69	23.96%
Teacher	55	19.09%
Housewives	28	9.73%
Total	288	100%

Observation: The above table shows that most of the respondents are students

Table1.5. Monthly Income

MONTHLY INCOME	FREQUENCY	PERCENTAGE
Nil	95	32.98%
10,000 – 20,000	89	30.90%
20,001 – 30,000	44	15.27%
Above 30,000	60	20.83%
Total	200	100%

Observation: The above information shows that 32.98% of the total respondents have no income, as they were students & housewives.

2. Analysis of Research specific question

Cross Tabulation of Gender & Preference for the effective mode of advertisements during the period of COVID-19

Gender	Preference for the effective mode of advertisements during pandemic period						Total
	Targeting everyday influencers on digital platform	%	Endorsements by renowned celebrities on digital Platform	%	Endorsements in social media by the popular face of it	%	
Male	52	18.5	29	10	33	11.5	114(40%)
Female	80	27.5	40	14	54	18.5	174(60%)
Total	132	46	69	24	87	30	288(100%)

Table: 2.1.a

CHI- SQUARE TEST (where, level of significance = 0.05 & n= 288

Hypothesis (H ₀)	df	Chi-square statistic	Tabulated Value	Result	Cramer's V	Association
There is no significant influence of gender on the preference of effective advertisement modes during the quarantine session	2	0.32	5.991	H₀ Accepted	0.03	Weak Association

Table: 2.1.b

Observation: From the cross-tabulation table it can be observed that both the male & female respondents preferred targeting the everyday influencers as an effective mode of advertisements during the time of pandemic.

The result of the chi-square test also portraying the same picture. As the Chi-square statistic (0.32) is lower than the tabulated value (5.991) so the null hypothesis is accepted here against the alternative hypothesis which conveys that there is no significant influence of gender on the preference of effective advertisements mode during the quarantine session. Even the Cramer’s V correlation also objectifying that the relationship between these two attributes – gender & Preference of the effective advertisement mode during the quarantine session.

Analyzing the type of celebrity preferred by the consumers for endorsements during the period of pandemic

Calculation of single factor ANOVA

H₀: The influential effects of different celebrities as a brand endorser are same during the pandemic period

H₁: The influential effects of different celebrities as a brand endorser are not same during the pandemic period

SUMMARY

<i>Groups</i>	<i>Count</i>	<i>Sum</i>	<i>Average</i>	<i>Variance</i>
Renowned celebrity	288	992	3.444444	0.721642
Social Media Sensation	288	1116	3.875	0.778746
Anonymous Person	288	1020	3.541667	1.224739

ANOVA

<i>Source of Variation</i>	<i>SS</i>	<i>Df</i>	<i>MS</i>	<i>F</i>	<i>P-value</i>	<i>F crit</i>
Between Groups	29.37037	2	14.68519	16.16643	1.28E-07	3.00618
Within Groups	782.1111	861	0.908375			
Total	811.4815	863				

Table:2.2. a

Observation: From this Anova table it can be observed that the P- value (1.28E-07) is less than the α -value i.e. 0.05 therefore null hypothesis is rejected here in favor of the alternative hypothesis which signifies that the influential effects of different celebrities as a brand endorser are not same during the pandemic period. Therefore, post hoc analysis has been conducted through the Tukey’s Honestly Significant Difference Test to identify the exact difference.

Tukey’s Honestly Significant Difference Test

$$\text{The Tukey Criterion}(T) = [q_{\alpha} (c, n-c) * \sqrt{MSE/n_i}] = [3.314 * \sqrt{0.908375 / 288}] = 0.1861$$

Where,

$q_{\alpha}(c, n-c)$ = Studentized range distribution, based on c & $n-c$ df

n = Total sample size

c = Number of treatments (i.e. number of columns)

MSE = Mean square error (from Anova table)

n_i = Sample size of the treatment group with the smallest number of observations

Factors	n	Mean	s.dev	Mean difference	Q value	T value	decision
Renowned celebrity (X1)	288	3.44	0.85	X1-x2 = -0.435	3.314	0.1861	Insignificant difference
Social media sensation (x2)	288	3.875	0.88	X2-x3= 0.33	3.314	0.1861	Significant difference
Anonymous person (x3)	288	3.542	1.11	X1-x3 = -0.102	3.314	0.1861	Insignificant Difference

Table: 2.2.b

Observation: The test result indicates that the influential effect of Social media sensation (x2) and Anonymous person (X3) is not significantly different than the Renowned celebrities (X1). However, there is a significant difference between the influential effect of Social media sensation (x2) and Anonymous person (X3).

Comparing the influencing power of the star kids & Outsiders of the Bollywood as a brand endorser during the pandemic period

Calculation of Wilcoxon Singed Rank Test (Paired) [Where Level of significance (α) = 0.05]

Variables	Rate of star kids as an influencing brand endorser during pandemic & Rate of outsiders in Bollywood asan influencing brand endorser during pandemic
2216	sum of positive ranks
30680	sum of negative ranks
256	N
16448.00	expected value
980.33	standard deviation
-14.52	z, corrected for ties
0.00E+00	p-value (one-tailed, upper)

Table: 2.3

H0: Population median difference = 0

H1: Population median difference >1

Observation: On the basis of Z-value it can be observed that the calculated Z-value i.e. -14.52 doesn't belong within the range of Z-statistic i.e. -1.645 to +1.645 at 5% level of significance, so null hypothesis is rejected here. Again, on the basis of p-Value it can be noticed that here the p-Value i.e. 0.00E+00 is less than the Value of α i.e. 0.05, therefore null hypothesis is rejected here in favor of the alternative hypothesis which signifies that on the basis of the influencing brand endorser during the pandemic period consumers prefer the outsiders in the Bollywood more rather than the star kids. Hence it can be concluded that within the flow of COVID19 it has been experienced that there is a plethora change in the perception of the viewers regarding the celebrities in the Bollywood after the demise of the renowned actor Mr. Sushant Singh Rajput and the viewers started to be influenced more by the outsiders in the Bollywood more rather than the star kids.

Conclusion:

Celebrities have always been the easiest way for launching a new product or promoting an existing one and will remain to do so in the near future on account of their mass appeal and a world full of star-stuck loyal fans who feel that celebrity endorsed products are more reliable and also raise their social status – this conventional idea gets a jerk due to the crisis of COVID19.

- Consumer's preferences to be influenced by their daily influencers like – family members, friends & neighbors during this crisis period rather than the celebrities. Therefore, during this pandemic period companies can opt direct marketing techniques to promote their products rather than the celebrity endorsements as the trustworthiness & reliability of this technique decreased during the pandemic situation.
- Even this change is equally acceptable to both the males & females.
- In case of celebrity endorsement during the pandemic period a differential influencing effect of the variant celebrities can be observed.
- During the crisis period the glory of the influential power of celebrity endorsement decreased and it became equal like the influencing power of

social media sensation & anonymous person. Though according to this study, it can be observed that people started to prefer the social media sensations more as during this lockdown period they spent more time on social media and became attached with them.

- Within the flow of Covid19 the shocking death of renowned actor Mr. Sushant Singh Rajput changed the conception of the viewers of the Bollywood regarding the celebrities there. Consequently, they started to follow and support the outsiders of the Bollywood rather than the star kids as a result of the controversial issue – Nepotism.
- Due to this changing scenario companies have to think twice before choosing the promotional strategy of their products or services and they have to choose their brand ambassador very cautiously due to the changing preference of the common mass regarding the celebrities.

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