

Impact of Celebrity Endorsements on Brand Equity at ITC Company

¹V. Pranathi ²Pavani Mudem* ³Ragiri Manisha

¹PG Student, Department of MBA, Samskruti College of Engineering & Technology, Telangana-501301

¹Email: vardhapranathi@gmail.com

²Department of MBA, Samskruti College of Engineering & Technology, Telangana-501301*

²Email: drpavanikaran12@gmail.com*

³Department of MBA, Samskruti College of Engineering & Technology, Telangana-501301

³Email: manisharagiri99@gmail.com

Abstract

Celebrity endorsements have become one of the most effective marketing strategies for enhancing brand awareness, influencing consumer perceptions, and strengthening brand equity in highly competitive markets. Companies increasingly collaborate with celebrities to establish credibility, create emotional connections with consumers, and differentiate their brands from competitors. This study examines the impact of celebrity endorsements on brand equity at ITC Company, one of India's leading diversified enterprises with a strong presence in fast-moving consumer goods (FMCG), personal care, packaged foods, stationery, hotels, and other business segments. The research focuses on understanding how celebrity endorsements influence key dimensions of brand equity, including brand awareness, perceived quality, brand associations, customer trust, purchase intention, and brand loyalty. The study also evaluates the effectiveness of celebrity characteristics such as credibility, attractiveness, popularity, expertise, and trustworthiness in shaping consumer attitudes and strengthening the overall image of ITC's brands. Using a descriptive research approach based on secondary data collected from research journals, company reports, books, industry publications, and reliable online sources, the study analyzes the relationship between celebrity endorsement strategies and consumer behavior in the Indian market. The findings indicate that well-planned celebrity endorsement campaigns significantly enhance brand recognition, improve customer engagement, increase consumer confidence, and positively influence purchasing decisions when the celebrity's image aligns with the brand's values and target audience. However, the research also highlights that product quality, customer satisfaction, and consistent brand performance remain essential for sustaining long-term brand equity beyond celebrity influence. The study concludes that integrating celebrity endorsements with innovative marketing strategies, digital media engagement, and customer-centric branding can strengthen brand equity and provide a sustainable competitive advantage for ITC Company. The outcomes of this research offer valuable insights for marketers, business managers, researchers, and policymakers in designing effective endorsement strategies that maximize brand value, improve consumer relationships, and support long-term organizational growth in an increasingly competitive marketplace.

Keywords: Celebrity Endorsements, Brand Equity, ITC Company, Consumer Behaviour, Brand Awareness, Brand Loyalty, Brand Image.

1. INTRODUCTION

Celebrity endorsement has become one of the most influential marketing strategies adopted by organizations to strengthen their brand image and enhance customer engagement in

today's competitive business environment. Companies across various industries collaborate with celebrities to promote their products and services because consumers often associate the credibility, popularity, and personality of celebrities with the brands

they endorse. A well-planned celebrity endorsement strategy not only increases brand awareness but also enhances consumer trust, improves brand recall, and positively influences purchase intentions. As competition continues to intensify across industries, organizations increasingly recognize celebrity endorsements as an effective tool for creating differentiation and establishing a strong emotional connection with consumers [1].

Brand equity represents the overall value of a brand in the minds of consumers and is considered one of the most valuable intangible assets of any organization. Strong brand equity enables companies to attract new customers, retain existing ones, command premium pricing, and maintain long-term profitability. According to marketing researchers, brand equity is built through several dimensions including brand awareness, perceived quality, brand associations, customer satisfaction, and brand loyalty [2]. Among the various promotional strategies available, celebrity endorsements have gained considerable attention because they effectively influence consumer perceptions and contribute significantly to strengthening these dimensions of brand equity.

The rapid expansion of digital media, social networking platforms, online advertising, and influencer marketing has significantly transformed the relationship between celebrities, brands, and consumers. Unlike traditional advertising, modern consumers interact with celebrities through multiple digital platforms, making endorsements more visible, interactive, and influential. Consumers often perceive celebrity recommendations as trustworthy and relatable, especially when the celebrity's personality aligns with the brand's values and target audience. This has encouraged organizations to invest heavily in celebrity-based marketing campaigns to improve customer engagement and brand recognition [3].

In India, the Fast-Moving Consumer Goods (FMCG) industry is one of the largest contributors to economic growth and consumer spending. The sector is

characterized by intense competition, rapidly changing consumer preferences, and continuous product innovation. As a result, companies frequently adopt innovative marketing strategies to differentiate themselves from competitors and maintain a strong market presence. Celebrity endorsements have become a common practice within the FMCG industry because they help companies communicate brand values effectively while influencing purchasing decisions across different customer segments [4].

ITC Limited is one of India's leading diversified enterprises with business operations spanning FMCG, packaged foods, personal care products, stationery, hotels, agribusiness, paperboards, and information technology. Over the years, ITC has successfully established several trusted consumer brands through consistent product quality, innovation, customer-centric marketing, and strategic promotional campaigns. The company has collaborated with well-known celebrities for promoting brands such as Aashirvaad, Sunfeast, Bingo!, Fiamma, Vivel, Engage, Classmate, and others to enhance visibility, improve consumer confidence, and strengthen brand positioning in competitive markets [5].

Celebrity endorsements influence consumers through multiple psychological factors including credibility, attractiveness, expertise, familiarity, and trustworthiness. When consumers admire or identify with a celebrity, they are more likely to develop favorable attitudes toward the endorsed product or service. This positive perception often increases brand awareness, improves brand associations, enhances product evaluation, and encourages purchase intentions. However, the effectiveness of celebrity endorsement largely depends on the compatibility between the celebrity's image and the brand's identity. A strong fit between the endorser and the product enhances campaign effectiveness, whereas an inappropriate endorsement may reduce consumer confidence and negatively impact brand perception [6].

The concept of brand equity has gained increasing importance because organizations

now compete not only on product quality and pricing but also on emotional value and customer experience. Consumers often associate brands with trust, lifestyle, quality, prestige, and reliability. Therefore, companies invest significantly in integrated marketing communication strategies that combine traditional advertising, digital media, celebrity endorsements, influencer collaborations, and experiential marketing to strengthen overall brand equity. These integrated strategies enable organizations to establish long-term relationships with consumers while improving market competitiveness [7].

Recent technological advancements have further enhanced the effectiveness of celebrity endorsement campaigns. Social media platforms such as Instagram, YouTube, Facebook, and X (formerly Twitter) enable celebrities to directly interact with millions of followers, thereby increasing campaign reach and consumer engagement. Digital marketing analytics also allow organizations to evaluate campaign performance, measure customer engagement, and optimize promotional strategies in real time. Consequently, companies can develop highly targeted marketing campaigns that maximize brand exposure and strengthen customer relationships [8].

ITC Limited has effectively utilized celebrity endorsements as part of its integrated marketing strategy to promote several flagship brands across different product categories. The company carefully selects celebrities whose personality, credibility, and public image align with its brand values, thereby improving consumer acceptance and strengthening brand recall. Combined with consistent product quality, innovation, competitive pricing, and effective distribution, these endorsement strategies have contributed significantly to enhancing ITC's brand equity and sustaining its leadership position within the Indian FMCG industry [9].

Despite the numerous benefits associated with celebrity endorsements, organizations also face several challenges. Celebrity controversies, changing consumer preferences, increasing competition,

endorsement saturation, and the growing influence of digital content creators can reduce the effectiveness of traditional celebrity marketing campaigns. Furthermore, consumers today evaluate brands based on multiple factors including product quality, customer experience, sustainability, corporate social responsibility, and value for money. Therefore, organizations must ensure that celebrity endorsements complement rather than replace their overall branding strategy [10].

This study aims to examine the impact of celebrity endorsements on brand equity at ITC Company by analyzing how celebrity-driven marketing influences brand awareness, consumer perception, customer trust, purchase intention, brand associations, and customer loyalty. The research further investigates the effectiveness of ITC's endorsement strategies in enhancing overall brand equity and achieving sustainable competitive advantage within the highly competitive FMCG market. The findings are expected to provide valuable insights for marketers, researchers, and business organizations seeking to develop more effective celebrity endorsement strategies that contribute to long-term brand success.

Research Objectives

The primary objective of this research is to examine the impact of celebrity endorsements on the brand equity of ITC Company and evaluate how celebrity-based promotional strategies influence consumer perceptions and purchasing behavior. The study aims to analyze the role of celebrity credibility, attractiveness, expertise, trustworthiness, and popularity in enhancing brand awareness, brand associations, perceived quality, customer trust, and brand loyalty. It also seeks to understand how ITC effectively utilizes celebrity endorsements across its various product categories to strengthen its competitive position in the FMCG market. Furthermore, the research evaluates the relationship between celebrity endorsements and consumer purchase intentions while identifying the factors that contribute to long-term brand equity and sustainable business growth. The findings are

expected to provide valuable insights for marketers, business organizations, and researchers in developing effective endorsement strategies that enhance brand value and customer engagement.

Research Methodology

This study adopts a qualitative and descriptive research methodology to analyze the impact of celebrity endorsements on the brand equity of ITC Company. The research is primarily based on secondary data collected from research journals, books, company reports, official websites, industry reports, marketing publications, and other reliable online sources related to celebrity endorsements, branding, and consumer behavior. The collected information is systematically analyzed to understand how celebrity endorsements influence brand awareness, consumer perception, customer trust, purchase intentions, and brand loyalty. A case study approach is employed to examine ITC's marketing strategies and evaluate the effectiveness of celebrity endorsements across its major consumer brands. The findings are interpreted using descriptive analysis to identify the relationship between celebrity endorsement strategies and brand equity while providing meaningful conclusions and practical recommendations for marketers and business organizations.

II. REVIEW OF LITERATURE

Erdogan (1999) conducted an extensive review of celebrity endorsement as a marketing communication strategy. The study examined why companies use celebrities to support corporate and brand images and discussed factors such as celebrity attractiveness, trustworthiness, expertise, and likeability. The author emphasized that celebrity characteristics can be transferred to the endorsed brand and influence consumer perceptions. However, the study also pointed out that an inappropriate celebrity-brand association can negatively affect advertising outcomes. The research provides a strong theoretical

foundation for examining how celebrity endorsements can contribute to brand equity. **Ohanian (1990)** examined the role of celebrity credibility in advertising effectiveness and developed a measurement scale based on three major dimensions: attractiveness, trustworthiness, and expertise. The study suggested that consumers' perceptions of an endorser's credibility can influence their responses toward the advertised product or brand. The findings are particularly relevant to brand equity because a credible celebrity can strengthen favorable brand associations and improve consumer attitudes toward the brand. This framework can be applied to ITC brands that use well-known personalities in their advertising campaigns.

Bergkvist and Zhou (2016) reviewed the extensive literature on celebrity endorsements and identified six major areas, including campaign management, financial effects, celebrity persuasion, meaning transfer, and brand-to-celebrity transfer. Their review showed that celebrity endorsement effects depend on several psychological and marketing mechanisms rather than simply on celebrity popularity. The authors also identified conflicting findings in previous research and emphasized the importance of celebrity-brand fit and consumer perceptions. Their work provides a comprehensive framework for understanding how celebrity endorsements can influence brand-related outcomes.

Sharma (2016) empirically investigated the effect of celebrity endorsements on dimensions of customer-based brand equity in the Indian luxury market. Data were collected from 202 consumers, and the study examined four dimensions of brand equity: brand awareness, brand associations, perceived quality, and brand loyalty. The findings revealed that celebrity endorsements had a positive and significant effect on brand awareness and brand associations, while their influence on perceived quality and brand loyalty was not significant. The study demonstrates that celebrity endorsements can be particularly effective in increasing brand visibility and

creating stronger associations in consumers' minds.

Jaikumar (2015) examined celebrity endorsements and branding strategies in India using an event-study approach. The research analyzed 47 celebrity endorsement announcements involving corporate brands and house-of-brands strategies and evaluated their economic value. The study specifically considered the degree of congruence or fit between the celebrity and the brand. The findings indicated that the economic impact of celebrity endorsements can vary depending on the company's branding strategy and the compatibility between the celebrity and the brand. This study is relevant to ITC because ITC operates multiple brands across different product categories, making appropriate celebrity-brand alignment an important consideration.

Kumar and Ramana (2019) conducted a literature review examining the relationship between celebrity endorsement and consumer-based brand equity. The study described celebrity endorsement as an important brand-management strategy through which companies attempt to add value to their brands. The review concluded that celebrity endorsement generally has a positive relationship with consumer-based brand equity, particularly through improved brand image, awareness, and favorable brand associations. The authors suggested that managers should carefully evaluate celebrity partnerships because the right celebrity can strengthen the value consumers associate with a brand.

Knoll and Matthes (2017) conducted a meta-analysis of 46 studies involving more than 10,000 participants to assess the effectiveness of celebrity endorsements. Their findings showed that celebrity endorsements can produce substantial positive effects when important moderators, particularly celebrity-product congruence, are taken into consideration. The study also found that poorly matched celebrity-product combinations could produce negative outcomes. The research therefore emphasizes that celebrity selection should be based not only on popularity but also on the

celebrity's suitability for the product and target audience.

Singh and Banerjee (2018) investigated the factors influencing celebrity endorsement credibility in the Indian context. Based on responses from 432 participants, the researchers used exploratory and confirmatory factor analysis to identify the dimensions contributing to celebrity credibility. The study demonstrated that consumers evaluate celebrities on multiple credibility-related characteristics before accepting their endorsement messages. The findings suggest that celebrity credibility is an important mechanism through which endorsements can influence consumer perceptions of brands. For companies such as ITC, selecting celebrities perceived as credible and appropriate for a particular brand can therefore contribute to stronger brand equity.

Halder, Pradhan, and Roy Chaudhuri (2021) conducted a structured and bibliometric review of 45 years of celebrity credibility and endorsement research. The study analyzed major authors, theories, methodologies, journals, and research themes within celebrity endorsement literature. The researchers found that celebrity credibility remains a central element of endorsement research and observed a growing shift toward digital and social media environments. Their review also developed an antecedent-consequence framework explaining how source credibility influences consumer outcomes. The study is useful for understanding the broader theoretical relationship between celebrity credibility, brand communication, and brand equity.

Dwivedi, Johnson, and McDonald (2015) examined the relationship between celebrity endorsement, self-brand connection, and consumer-based brand equity. The study focused on how consumers' psychological connection with a celebrity can transfer to their relationship with an endorsed brand. The findings suggested that celebrity endorsement can contribute to consumer-based brand equity when consumers develop stronger connections between themselves, the celebrity, and the brand. The study

highlights the importance of emotional and symbolic associations in addition to traditional advertising effects. This is particularly relevant to ITC because strong celebrity-brand relationships can help its individual brands develop distinctive identities and stronger consumer associations.

III. DATA ANALYSIS & INTERPRETATION

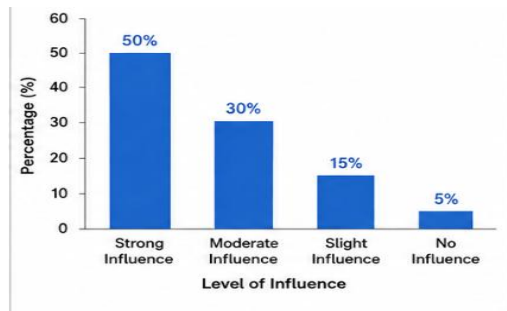


Fig 1: Brand Awareness Sources

Figure 1 illustrates the influence of celebrity endorsements on brand awareness among consumers. Celebrity promotions account for the highest level of brand recognition, indicating that well-known personalities significantly improve the visibility of ITC products.

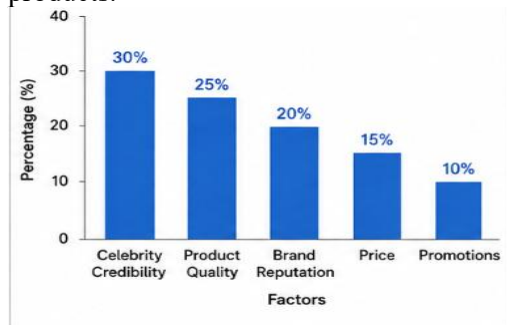


Fig 2: Factors Influencing Brand Positioning

Figure 2 presents the major factors affecting consumers' purchase decisions for ITC products. Celebrity credibility and product quality contribute the largest share, followed by brand reputation, pricing, and promotional campaigns.

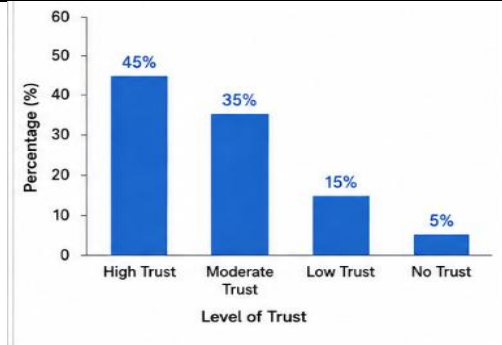


Fig 3: Consumer Purchase Decision Factors

Figure 3 shows the level of consumer trust in ITC brands promoted by celebrities. The majority of consumers demonstrate a high level of confidence in endorsed products due to the credibility and positive public image of celebrities.

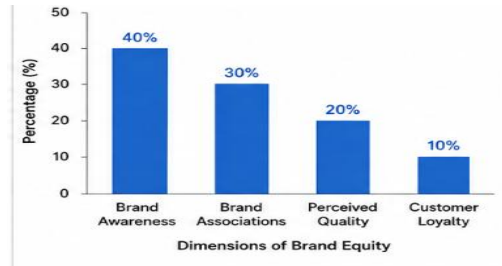


Fig 4: Customer Satisfaction Levels

Figure 4 illustrates the contribution of celebrity endorsements to different dimensions of brand equity, including brand awareness, perceived quality, brand associations, and customer loyalty.



Fig 5: Brand Loyalty among Consumers

Figure 5 presents customer loyalty levels among consumers purchasing ITC products. A large proportion of consumers express their willingness to repurchase ITC brands and recommend them to others due to positive experiences with product quality and effective promotional campaigns.

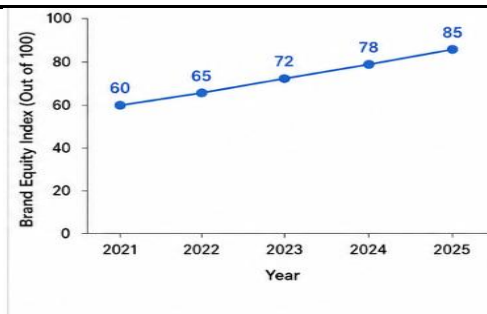


Fig 6: Future Growth Potential in Emerging Markets

Figure 6 illustrates the projected growth of ITC's brand equity resulting from continuous investment in celebrity endorsements and integrated marketing strategies.

IV. FINDINGS

The findings of this study reveal that celebrity endorsements play a significant role in strengthening the brand equity of ITC Company by enhancing brand awareness, improving consumer perception, and increasing customer engagement. The research indicates that celebrities with strong credibility, popularity, expertise, and trustworthiness positively influence consumer attitudes and purchase intentions when their personalities align with the values of ITC's brands. The study further shows that celebrity endorsement campaigns significantly improve brand recall, brand associations, and customer trust, particularly when supported by high product quality, effective advertising, and consistent brand communication. In addition, ITC's integration of celebrity endorsements with digital marketing, social media promotions, and customer-centric branding strategies has contributed to increased brand loyalty and sustainable competitive advantage. However, the findings also emphasize that long-term brand equity depends not only on celebrity influence but also on continuous product innovation, customer satisfaction, ethical branding, and maintaining consistent product quality.

V. CONCLUSION

This study concludes that celebrity endorsements have a substantial positive impact on the brand equity of ITC Company

by increasing brand awareness, strengthening consumer trust, improving brand image, and positively influencing purchasing decisions. ITC has effectively utilized celebrity endorsements as part of its integrated marketing strategy to enhance the visibility and credibility of its diverse product portfolio. The research demonstrates that successful endorsement campaigns create stronger emotional connections between consumers and brands while contributing to higher customer loyalty and improved market competitiveness. However, the study also highlights that celebrity endorsements alone cannot guarantee long-term success unless they are supported by superior product quality, customer satisfaction, innovation, and effective brand management. Overall, a balanced combination of celebrity endorsements and customer-focused marketing strategies enables ITC to strengthen its brand equity and achieve sustainable business growth in the competitive FMCG industry.

VI. FUTURE SCOPE

Future research can expand this study by comparing the effectiveness of celebrity endorsements across different FMCG companies and product categories to identify industry-wide best practices. Researchers may also examine the growing influence of social media influencers, digital creators, and virtual brand ambassadors on consumer behavior and brand equity. In addition, future studies can investigate the impact of artificial intelligence, personalized advertising, and data-driven marketing strategies on endorsement effectiveness. Primary data collected through customer surveys, interviews, and focus group discussions can provide deeper insights into consumer preferences and attitudes toward celebrity-endorsed brands. Furthermore, longitudinal studies can evaluate how changing consumer expectations, technological advancements, and evolving marketing trends influence the long-term relationship between celebrity endorsements and brand equity, enabling organizations to develop more effective and sustainable branding strategies.

VII. REFERENCES

- [1] P. Kotler and K. L. Keller, *Marketing Management*, 16th ed. Harlow, U.K.: Pearson, 2022.
- [2] K. L. Keller, *Strategic Brand Management: Building, Measuring, and Managing Brand Equity*, 5th ed. Harlow, U.K.: Pearson, 2020.
- [3] D. A. Aaker, *Building Strong Brands*. New York, NY, USA: Free Press, 1996.
- [4] T. A. Shimp, *Advertising, Promotion, and Other Aspects of Integrated Marketing Communications*, 10th ed. Boston, MA, USA: Cengage Learning, 2018.
- [5] D. Chaffey and F. Ellis-Chadwick, *Digital Marketing: Strategy, Implementation and Practice*, 8th ed. Harlow, U.K.: Pearson, 2022.
- [6] S. A. Erdogan, "Celebrity Endorsement: A Literature Review," *Journal of Marketing Management*, vol. 15, no. 4, pp. 291–314, 1999.
- [7] G. Armstrong and P. Kotler, *Principles of Marketing*, 19th ed. Harlow, U.K.: Pearson, 2023.
- [8] M. E. Porter, *Competitive Advantage: Creating and Sustaining Superior Performance*. New York, NY, USA: Free Press, 1985.
- [9] D. A. Aaker, *Managing Brand Equity*. New York, NY, USA: Free Press, 1991.
- [10] J.-N. Kapferer, *The New Strategic Brand Management*, 6th ed. London, U.K.: Kogan Page, 2021.
- [11] V. Kumar and W. Reinartz, *Customer Relationship Management: Concept, Strategy, and Tools*, 3rd ed. Berlin, Germany: Springer, 2018.
- [12] S. Hollensen, *Marketing Management: A Relationship Approach*, 4th ed. Harlow, U.K.: Pearson, 2020.
- [13] P. Temporal, *Advanced Brand Management*. Singapore: Wiley, 2019.
- [14] Deloitte, *Global Marketing Trends 2024*. London, U.K.: Deloitte Insights, 2024.
- [15] ITC Limited, *Annual Report 2023–24*. Kolkata, India: ITC Limited, 2024.