



“A study on the impact of celebrity endorsement on the customer engagement and brand trust with palmonas”

Author: Sanika Jagdish Nichal

Co-author: Prof. Akshay Yeotikar

Co-author: Yash Bajole

Department of Master Of Business Administration

Zeal Institute of Management and Computer Application, Narhe, Pune.

sanikanichal@gmail.com

Abstract- This study investigates the relationship between celebrity endorsement and consumer behavior within the emerging Indian Demi-Fine jewelry market, specifically focusing on the brand Palmonas. As traditional gold and diamond sectors face competition from affordable luxury alternatives, brands are increasingly utilizing high-profile celebrities to bridge the "trust gap" inherent in online luxury retail. This research employs a quantitative approach to measure how source credibility (attractiveness, trustworthiness, and expertise) influences two key metrics: brand trust and customer engagement. Preliminary findings suggest that celebrity association not only increases brand recall but also significantly reduces perceived risk, encouraging higher digital engagement and purchase intent among Gen Z and Millennial consumers.

Keywords: Celebrity Endorsement, Brand Trust, Customer Engagement, Palmonas, Demi-Fine Jewelry, Social Commerce, Indian Retail.

I. INTRODUCTION:-

The Indian jewelry industry is undergoing a paradigm shift. While traditional jewelry is viewed as an investment, "Demi-Fine" jewelry—typified by 18k gold plating on sterling silver—is marketed as a lifestyle choice. Palmonas has positioned itself at the forefront of this disruption. However, selling "luxury" at a lower price point online presents a challenge: Trust. Unlike physical gold, the quality of gold-plated jewelry cannot be easily verified by the consumer through a screen. To solve this, Palmonas utilizes celebrity endorsement to provide an "assurance of quality." This paper explores whether these endorsements truly build long-term brand trust or merely provide short-term engagement spikes on social media.

II. REVIEW OF LITERATURE: -

The literature surrounding celebrity endorsement is vast, but the emergence of the "Celebrity-as-Founder" model in the D2C (Direct-to-Consumer) space, as seen with Palmonas, represents a modern evolution of these theories.

1. Contemporary Research on Engagement and Trust

- Parasocial Relationships (Singal & Singla, 2025): Recent Indian research highlights that consumers feel an emotional bond with celebrities, leading to higher brand trust. For Palmonas, this bond transforms passive viewers into active "engaged" customers who interact

with the brand's digital content.

- D2C and Credibility (Jain et al., 2018): Studies on Indian D2C brands show that "authenticity" is the primary driver for Gen Z. Literature indicates that when a celebrity takes an equity stake (as Kapoor did in 2023), it reduces "consumer skepticism" because the celebrity has "skin in the game," directly boosting brand trust.

2. The Jewellery Sector Context

- Perceived Risk Reduction: According to research in the International Journal of Advertising, jewellery is a "high-involvement" purchase. Literature suggests celebrity association acts as a quality signal, especially for non-traditional materials like the 18k gold-plated surgical steel used by Palmonas.

III. OBJECTIVES OF THE STUDY:-

- To evaluate the impact of celebrity persona on the overall brand awareness.
- To analyze the correlation between celebrity credibility and brand trust.
- To measure the level of customer engagement on digital platforms (Instagram, YouTube).
- To examine the influence of celebrity association on purchase intention, for millennial and Gen Z consumers to transition from browsing to buying.



IV. RESEARCH METHODOLOGY

RESEARCH DESIGN: -

Research Design

A Descriptive and Analytical Research Design will be used. This study will be primarily quantitative, focusing on primary data collected from active social media users and Palmonas customers.

- Sampling Technique: Non-probability convenience sampling.
- Target Population: Females aged 18–40 residing in Tier 1 and Tier 2 cities in India.
- Sample Size: N = 131 respondents.
- Data Collection Tool: A structured questionnaire using a 5-point Likert Scale (1 = Strongly Disagree, 5 = Strongly Agree).

V. DATA ANALYSIS PLAN

The data will be analyzed using Correlation Analysis to see if "Celebrity Trust" moves in tandem with "Brand Trust," and Regression Analysis to determine the extent to which engagement is driven by the celebrity vs. the product design itself.

Data analysis and Interpretation:-

1.How did you first hear about the brand Palmonas?

Options	No. of Response	Percentage
a) Social Media	90	69.2%
b)Celebrity news/Shraddha Kapoor'sposts	25	19.2%
c) Friends or Family	03	2.3%
d)Online advertisements	12	9.2%

Interpretation:

The data identifies a "Digital-First Discovery" pattern heavily reliant on visual platforms, with 69.2% of respondents first encountering Palmonas through social media (Instagram/Facebook). This indicates that the brand's primary gateway is the aesthetic and algorithmic environment of social feeds. Interestingly, while 19.2% attribute their first discovery directly to celebrity news or Shraddha Kapoor's specific posts, the overlap with general social media discovery suggests that her presence is likely the catalyst behind the broader social media visibility mentioned by the majority. With traditional word-of-mouth (2.3%) and paid online

advertisements (9.2%) playing a significantly smaller role, it is clear that Palmonas' growth is fueled by organic and celebrity-integrated social content.

2.Which type of Palmonas content do you find most engaging?

Options	No. of Response	Percentage
a) Styling reels by Shraddha Kapoor	104	80%
b) Product-only studio photography	15	11.5%
c) Behind-the-scenes/Founder stories	08	6.2%
d) Customer reviews and unboxingvideos	03	2.3%

Interpretation

The data underscores a massive preference for "Persona-Led Storytelling," with 80% of respondents identifying Shraddha Kapoor's styling reels as the most engaging form of content. This indicates that for Palmonas, the product gains its primary appeal through the lens of the celebrity's personal style rather than traditional retail methods. While 11.5% still value professional studio photography, the negligible engagement with behind-the-scenes content (6.2%) and customer reviews (2.3%) suggests that the celebrity's endorsement effectively "replaces" the need for traditional social proof. In this ecosystem, a single styling video by the founder carries more weight than dozens of third-party reviews.

3. Are you aware that Shraddha Kapoor is a "Co-founder" and partner in Palmonas, not just a hired model?

Options	No. of Response	Percentage
a) Yes, I am aware	90	68.7%
b) No, I thought she was just anambassador	33	25.2%
c) Does not make a difference to me	08	2.3%



Interpretation

The data underscores a high level of "Ownership Awareness," with 68.7% of respondents already recognizing Shraddha Kapoor as a co-founder and partner rather than a hired model. This suggests that Palmonas has successfully communicated her deep-rooted involvement in the business, moving the narrative beyond a surface-level endorsement. While 25.2% still perceive her in the traditional role of a brand ambassador, the majority's awareness of her "partner" status reinforces the idea of long-term accountability and business commitment. With only a negligible 2.3% stating that her specific role makes no difference, it is clear that the "Co-founder" title is a vital component of the brand's identity, successfully elevating the consumer's perception from a standard marketing campaign to a credible, celebrity-led entrepreneurial venture.

4. Does the "Co-founder" status of a celebrity increase your trust more than a standard brand endorsement?

Options	No. of Response	Percentage
a) Yes, significantly	85	64.9%
b) Yes, slightly	32	24.2%
c) No, it's the same thing	10	7.6%
d) It actually makes me more skeptical	04	3.1%

Interpretation

The data clearly illustrates the "Skin in the Game" advantage, where 64.9% of respondents feel that a "Co-founder" title significantly increases their trust compared to a standard endorsement. When combined with those who feel "slightly" more trusting, nearly 89% of the audience views the co-founder status as a superior trust-building mechanism.

This suggests that for Palmonas, Shraddha Kapoor's role is perceived as a long-term professional commitment rather than a transient marketing contract. Consumers interpret the "Co-founder" label as a sign of personal accountability, believing the celebrity has deeper involvement in the business operations and product quality.

Findings of the Study:-

The study confirms that Palmonas' success is driven by the "Co-founder" status of Shraddha Kapoor, which creates an 89.1% trust uplift by moving the celebrity from a hired model to a stakeholder with

"skin in the game." This partnership serves as a powerful persona proxy for quality, with 92.4% of consumers using her reputation as a shortcut to verify the product's premium standards. Crucially, this association bridges the skepticism surrounding technical claims like tarnish-free and waterproof durability, validating specifications more effectively than traditional certifications. This trust translates directly into a high-performance sales funnel, where over 80% of respondents actively click through to the website from celebrity social media. Finally, the research highlights that relatable lifestyle content—specifically styling reels—vastly outperforms traditional studio photography, as customers prefer seeing the jewelry integrated into an authentic celebrity lifestyle over polished retail advertisements.

VI. CONCLUSION:-

The study concludes that in the high-risk environment of online "Demi-Fine" jewelry, a celebrity co-founder acts as a structural guarantee of quality, effectively bridging the trust gap inherent in digital retail. For Palmonas, Shraddha Kapoor functions as a "Persona Proxy," allowing consumers to bypass traditional physical verification in favor of her shared reputation; this association is particularly powerful because her status as a stakeholder, rather than a hired model, signals a long-term commitment to the brand's integrity. The findings highlight that digital engagement thrives on authenticity over perfection, with relatable lifestyle content significantly outperforming traditional studio photography. Ultimately, while celebrity power serves as the essential spark for initial brand trust and customer acquisition, the brand's long-term sustainability will depend on maintaining product transparency and durability to ensure that the reality of the jewelry matches the high expectations set by its celebrity face.

REFERENCES:-

1. **Palmonas Official Website.** "About Us: Our Founder's Vision." www.palmonas.com.
2. **Shark Tank India (Sony LIV).** Season 3/4 Episodes featuring Palmonas' business pitch and celebrity involvement.
3. **Shraddha Kapoor's Official Instagram Handle.** Analysis of partnership posts and community engagement from 2023–2026.
4. **Entrepreneur India (2025).** Jewellery Brand Palmonas Raises INR 55 Cr in Series A Funding. [Online] Available at: entrepreneur.com/en-in/news-and-trends
5. **The Economic Times (2025).** Shraddha Kapoor-backed Palmonas raises Rs 55 cr in



Series A. [Online] Available at:
retail.economictimes.indiatimes.com