

## **Impact of Celebrity Endorsed FMCG Advertisements on Consumers Decision Making Process**

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### **Abstract**

“Celebrity” refers to an „individual who is known to the public, such as actors, sport figures, entertainers” and others of the line for his or her achievement in areas other than that of the product class endorsed (Friedman and Friedman1979). In fact celebrity endorsers are being used extensively in almost all television advertisements for the promotion of different brands. Marketers invest huge amounts of money in contracts with celebrity endorsers each year, since they believe that celebrities affect the process of selling of their brands or products positively. The study uses a qualitative research style to collect data, using interviews as the form of data collection method. This research helps providing how celebrity endorsement impacts on consumers purchase decision.

**Keywords:** Advertisements, Brand, Brand equity, Celebrity, Credibility, Endorsed

### **Introduction**

Today Celebrity Endorsements is a billion dollar industry today with companies signing deals with celebrities aiming to stand out from the clutter and give them a distinctive and significant position in the mind of consumers. (Temperley and Tangen, 2006). This is true for classic forms of celebrities like actors (for example Sharukh khan, Amitabh Bachhan), models ( John Abraham, Malaika Arora, Diya Mirza) Sports athletes (for example Sachin Tendulkar, Sania Mirza) entertainers (Barkha Dutt, Shekhar Suman) and Pop Stars (Mika, Dailer Mehndi) but also for less obvious groups like businessmen (for example Dirubhai Ambani) or politicians (Laloo Prasad Yadav) Besides these there are fictional celebrities like Ronald McDonald, Fido dido, gattu, Amul Girl, Pillsbury doughboy and the like.

As a result of such overcrowding, it is a challenge for firms releasing their products, to capture consumer attention where consumers are being flooded with information from firms about their brand popularity and product features (Mustafa, 2005). Celebrity endorsement if used effectively makes the brand stand out, brand recall and facilitates instant awareness. To achieve this, the marketer needs to be really disciplined in choice of a celebrity. Hence the right use of celebrity can escalate the Unique Selling Proposition of a brand to new heights; but a cursory orientation of a celebrity with a brand may prove to be fruitful for a brand. A celebrity is a means to an end, and not an end.

### **Need of the Study**

Since India consumers have always idolised celluloid stars (Katyal, 2007) and looked up to them, hence it makes great logic to use celebrities as spokespersons and influence consumers” purchase decision. However, there are many risks

associated with such endorsers. The brand could slide down just as quickly as it moved up the consumers mind. There are many cases of brands failing in the market place despite famous celebrities endorsing them. India as a country is known for loving its stars. The Indians idolize their Bollywood actors and cricketers. This study will also help to know whether celebrities’ endorsers are able to influence the buying behavior of the customers or not.

### **Literature Review**

McCracken (1989) provides a clear definition describing celebrity endorser as “*any individual who enjoys public recognition and who uses this recognition on behalf of a consumer good by appearing with it in an advertisement (p.310).*” He further explained celebrity endorsement as a “ubiquitous feature of modern marketing.”

Friedman and Friedman (1979) describe celebrity endorser as an individual who is known to public for his or her achievements in areas other than that of product class endorsed.

Celebrity endorsements are an omnipresent feature of present day marketing (Meenaghan and O’Mahony, 1998). The billions of dollars spent on celebrity endorsement contracts illustrates the importance celebrities play in the advertising industry (Kambitsis et al., 2002). According to research conducted by Stephens and Rice (1998) in USA showed that celebrity endorsed advertising increased from 15% to 25% between 1979 and 1997 for all advertising.

Early researches have shown that about 20 percent of all television commercial use celebrity as their endorsers and increasing competition for seeking consumers’ attention has encouraged marketers to use attention- creating media stars to assist in product marketing (Erdogan, 1999). Marketers believe that using popular celebrity can effect consumers feeling and their purchase intention and also believe celebrity to influence consumers’ persuasion of the product according to the image of it (Belch & Belch, 2001).

Temperley and Tangen (2006) in their research said that it’s a critically important decision for the marketers in the choice of celebrity they decide upon. As selecting celebrity endorsers is a difficult job, many scholars have made an effort to construct models to assist in the selection of celebrity endorsers.

Source credibility and source attractiveness reflect the study of source effect theory/source influence theory, which argues that various characteristics of a perceived communication source may have a positive impact on message receptivity (Kelman, 1961). Shimp (2003) found that credibility and attractiveness are the general features of celebrity endorsers’ effectiveness.

### **Objectives of the Study**

- To identify the consumers perceptions about celebrity endorsements in TV advertisement for FMCG products.
- □To find out the type of celebrity preferred and reasons for celebrity endorsement.
- To measure the impact of advertisements endorsed by celebrities.

**Research Methodology**

The study is based on primary data and secondary data. Five point Likert scale has been used to know the customer’s perception towards celebrity endorsed advertisements. Sample size has taken 400 consumers. Secondary data has been collected from the websites of the selected brands endorsed by celebrities. The analysis of the data has been done with factor analysis. A highly structured questionnaire was used as a tool for collecting primary data and the data was analyzed using SPSS. The techniques used for analysis, were chi-square and factor analysis. A pilot survey was conducted amongst the sample population to shortlist the top ten celebrity endorsers and the product categories, likewise.

**Data Analysis and Interpretation**

**Hypothesis**

**Ho:** Consumer preference for advertisement will not be affected if the product is endorsed by a male celebrity.

**Ha:** Consumer preference for advertisement will be affected if the product is endorsed by the male celebrity.

The rejection criterion was set: DoF: 5-1=4

At alpha 0.5 and DoF =4, the critical value from chi square distribution table is 9.49

PREFERENCE	MALE	FEMALE	TOTAL
Strongly	98	16	114
Agree	22	64	86
Neutral	40	44	84
Disagree	32	36	68
Strongly Disagree	28	20	48
Column Total	220	180	400

**TABLE: 1**

PREFERENCE	MALE	FEMALE	TOTAL
Strongly	62.70	51.30	114
Agree	47.30	38.70	86
Neutral	46.20	37.80	84
Disagree	37.40	30.60	68
Strongly Disagree	26.40	21.60	48
Column Total	220	180	400

**TABLE: 2**

PREFERENCE	MALE	FEMALE
Strongly	9.937	12.145
Agree	6.766	8.269
Neutral	0.416	0.508
Disagree	0.389	0.859
Strongly Disagree	0.048	0.059
Column Total	17.556	21.876

**TABLE: 3**

**$\chi^2 = 39.432$**

This is a common notion that the female celebrities make the brand or product more visible but the results obtained are quite opposite. Chi square statistics exceeded the critical value of 9.49. Hence null hypothesis was rejected. The results have conveyed a very strong message that the Male celebrity endorsers are more effective than female celebrity endorser.

**Reliability of the data set**

As shown in Table 4, fifteen items were subjected to the reliability test. Those items were the adjectives which used to describe the three dimensions of 'Trustworthiness', 'Expertise' and 'Attractiveness' in the Source credibility model (Ohanian1990). According to Pavot, Diener, Colvin and Sandvik (1991), the fifteen attributes of source credibility model had good internal consistency, with a Cronbach alpha coefficient reported of 0.85. In the current study the Cronbach alpha coefficient was 0.935. As a result, they were considered as highly reliable.

**TABLE: 4**

<b>Reliability Statistics</b>	
Cronbach's Alpha	N of Items
.935	15

**Attributes of celebrity endorsers to purchase intention**

From the KMO and Bartlett's Test table (TABLE 5) the Kaiser-Meyer-Oklin value was 0.903, which exceeded the recommended value of 0.6 (Kaiser, 1970, 1974). So there was a satisfactory amount of variance in original variables that might be caused by underlying factors. Barlett's Test of Sphericity (Bartlett, 1954) was 0.000

< 0.05 reached statistical significance, supporting the factorability of the correlation matrix. Therefore the original variables were not unrelated

**TABLE: 5**

<b>KMO and Bartlett's Test</b>		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		<b>.903</b>
Bartlett's Test of Sphericity	Approx. Chi-Square	2225.044
df		105
Sig.		<b>.000</b>

**Conclusion:**

In nutshell the study concludes that companies roping in the celebrities to enhance the image of the product, Brand awareness, recall, retention and for credibility. On the other hand study concluded that those products have more market share which are endorsed by celebrities in that of normal celebrities. Consumer has seen the advertisements by celebrities as reliable, knowledgeable. And they have also affected and associated with celebrities and moreover they feel that celebrities are able to influence the demand of the products. So in the end we can say celebrities' endorsement has positive impact on company as well as brand and customers.

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