

A STUDY OF THE PERSUASION FACTORS OF CELEBRITY ENDORSEMENT ON BUYER'S PURCHASE DECISION WITH SPECIAL REFERENCE TO FMCG GOODS

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ABSTRACT

The present research is about analyzing the effectiveness of celebrity endorsements of FMCG products in Indian market and its effect in the buying behavior of consumers of FMCG products in Delhi. The basic objective here is to find out the influence of celebrity endorsement in the decision making process for a consumer when buying FMCG products. The study focuses on the persuasion effect of celebrity endorsement in advertisement. The research measures the impact of celebrity endorsement on six stages (McGuire) of persuasion and actual buying. The basic objective here is to find out the influence of celebrity endorsement in the decision making process for a consumer when buying FMCG products in New Delhi (India).the impact in general and about all the branding techniques used by companies. After all the research work and collection of questionnaires, the researcher came to know that people would be more likely to buy a FMCG product that was endorsed by their favorite celebrity. Celebrities ensure attention of the target group by breaking the clutter of advertisements and making the advertisement and the brand more noticeable.

Keywords – Celebrity endorsement, Consumer buying behavior, McGuire persuasion model

1. INTRODUCTION

In this era, globalization is increasingly important. Most of the industries are thinking of expanding their market worldwide. However, before they can do so, they need to study their respective market and identify the factors that will steer them to success. Thus, the same concept applies here where the factors which influence consumer purchasing behaviour should be identified in order to success in the FMCG industry for a

manufacturer. Without the purchasing stage, the consumer decision-making process in considered not complete or not success since there will be no action taken after the evaluation stage. Consumer products manufacturers ITC, Godrej Consumer Products Limited (GCPL) and HUL reported healthy net sales in FY18. Aggregate financial performance of the leading 10 FMCG companies over the past 8 quarters displays that the industry has grown at an average 16-21 per cent in the past 2 years.

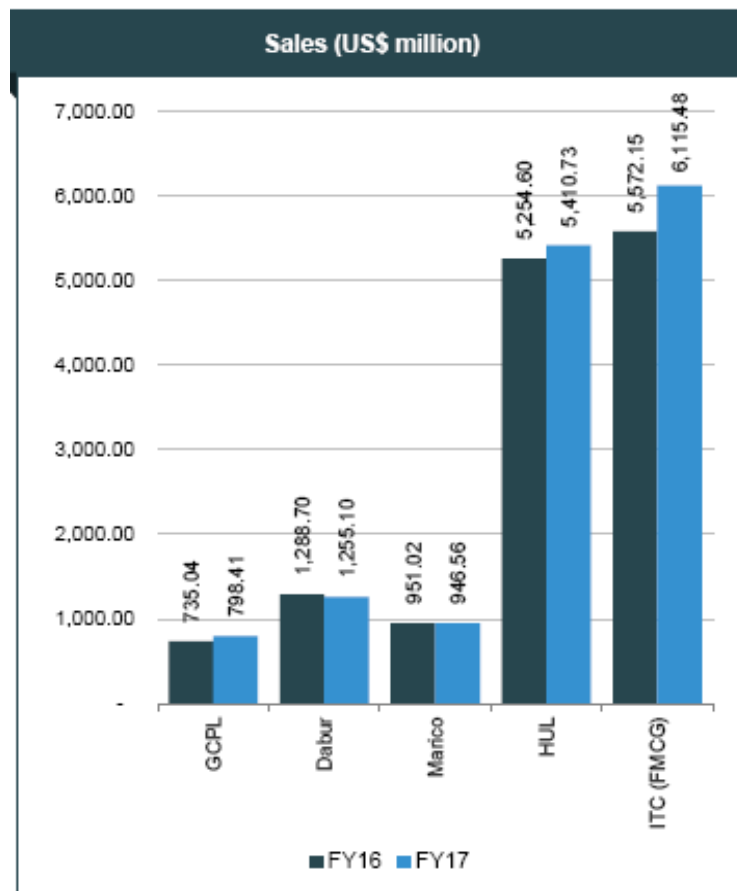


Fig: 1 Sales comparison of Indian FMGC Sector in year 2017 and 2018¹

¹ www.ibef.org, Indian Brand Equity Foundation report, P 12. June 2018, last viewed 5 July 2018

In India quite a few companies that market FMCG products are using popular sports persons and film stars in their advertising to endorse their products. Sachin Tendulkar, Rahul Dravid, Saurav Ganguly, Amitabh Bachchan, Shahrukh Khan, and many others are a common sight in ads; the list goes on and on. William J McGuire's "persuasion matrix" helps advertisers to assess how the independent variables interact with the consumer's response process. Brand managers should know how the decisions about each independent variable could influence the stages of response hierarchy. There are examples of ads that used sex appeal, humour, or celebrities as endorsers to attract the consumers' attention. These advertisements were quite successful in attracting the audience attention but proved ineffective in brand name or brand message recall. (McGuire, 2005)

2. REVIEW OF LITERATURE

In any research, identification of research gap is of primary importance as on which entire research is based. Review of literature helped to revisit and read articles and research papers on Celebrity endorsement in modern advertisement and marketing. Most researchers have found that celebrity endorsement in a key factor in marketing success and effecting consumer buyer behaviours. The rationale of study can be considered as following:

1- Most of the studies in present time are geographically concentrated. International studies in Pakistan and Malaysia are substantial in this aspect. In India research are done in different cities like Tripur, Jaipur, and Rajasthan etc. The present study will fulfil the need of conducting a research in national capital region. Considering Delhi as research location fill the research gap in recent studies.

2- In different studies several variables have been considered. Marc Audi et. al. (2015) research was based on the celebrity endorsement factors model done by Seno & Lukas, 2007 and the brand loyalty factors. Ashok Kumar Dhaka and Amit Kumar Bdgujar (2017) focused on image, identity, personality, popularity, style, beauty, way of presentation, suitability with product, slogan used and attraction of celebrity as attributes of celebrity which influence them.

The present study is different as it considers the effect of celebrity endorsement on consumers buying behavior by explain the effect on persuasion components.

3- Better persuasion can result better buying. The present study elaborates that how with the help of celebrity endorsement persuasion of any advertisement can be improved.

4- Present study will help companies to understand and select the trait of celebrity which effect the persuasion. Thus companies can decide where to focus to improve the effect of advertisement..

3. HYPOTHESES

1. Action stage of persuasion by Celebrity endorsement is not related with Actual Buying
2. Exposure stage of persuasion by Celebrity endorsement is not related with Actual Buying
3. Attention stage of persuasion by Celebrity endorsement is not related with Actual Buying
4. Comprehension stage of persuasion by Celebrity endorsement is not related with Actual Buying
5. Acceptance stage of persuasion by Celebrity endorsement is not related with Actual Buying

6. Retention stage of persuasion by Celebrity endorsement is not related with Actual Buying

4. METHODOLOGY

This study is based on the sampling study done on the sample size of 100 persons residing in New Delhi (India). The respondents were contacted through e-mail, questionnaire was sent to them electronically and the reply was sought.

Sample size: 500

Sample area: New Delhi (India)

Standard deviation of Population is unknown so we will use proportion formula. Standard deviation of Population is unknown so we will use proportion formula.

$$n = p(1-p) / (Z/E)^2$$

$$n = 0.50(1-0.50) / (1.96/0.05)^2$$

$$= 0.50(0.50) / (39.2)^2$$

$$= 0.50(0.50) / (1536.64)$$

$$= 384.16$$

The sample size with formula comes 384.16. As researcher cannot take a part of sample, so updating to nearest integer, minimum sample size should be 385. For numerical symmetry researcher has taken 500 people.

5. TESTING OF HYPOTHESES

The study reveals that celebrity endorsement has impact of actual buying of customers. The term 'actual buying' represent buying behavior of consumers. So it could be said that celebrity endorsement has impact on consumers buying behavior. Celebrity endorsement is a key tool of persuasion in advertisement. The value of R

is 0.708 which shows that the overall relation among all considered seven variables are high and they have huge impact on each other. The value of R supports alternate hypothesis. So we can accept an alternate hypothesis that is "Celebrity endorsement by companies in FMCG segment has significant impact on consumer buying behavior of FMCG products in Delhi NCR.

Celebrity endorsement has several factors and effect consumer at different stages. These stages of persuasion are:

1. Exposure / Presentation

Audiences are presented with a message through a channel (Eg: Media). This is the easiest step to achieve. The sig value is below 0.05. This shows that the celebrity endorsement in advertisement affects the exposure of customers towards product which results in actual purchase.

2. Attention / Awareness

Audiences will see and recognize the message with either creative exposure, or repeated exposure. Often, 3 times or more. The sig value is below 0.05. This shows that the celebrity endorsement in advertisement affects the Attention / Awareness of advertisement in mind of customers towards product which results in actual purchase.

3. Comprehension / Understanding

Audiences comprehend the value or point of the message. The sig value is below 0.05. This shows that the celebrity endorsement in advertisement affects the Comprehension / Understanding of advertisement in mind of customers towards product which results in actual purchase.

4. Acceptance



Audiences believe the message. The sig value is below 0.05. This shows that the celebrity endorsement in advertisement affects the Acceptance of advertisement in mind of customers towards product which results in actual purchase.

5. Retention

Audiences remember the message, and identify the message with the company and its products / services. Company becomes branded. The sig value is above 0.05. This shows that the celebrity endorsement in advertisement affects the Retention of advertisement in mind of customers towards

product but does not results in actual purchase. This can be explained as the product advertisement may be in the minds of consumers due to some celebrity but actual purchase occurs on the basis of customer need, product quality etc.

6. Action!

Audiences change their behavior in the desired direction. Purchase! The sig value is below 0.05. This shows that the celebrity endorsement in advertisement affects the Action of customers towards product which results in actual purchase.

Correlations

	Actual_Purchase	Action_stage_V1	Exposure_v2	Acceptance_v3	Retention_v4	Comprehension_v5	Attention_v6
Actual_Purchase	1	.599**	.066	.514**	.367**	.191**	.240**
	.000	.000	.143	.000	.000	.000	.000
	500	500	500	500	500	500	500
Action_stage_V1	.599**	1	.115*	.303**	.500**	.108*	.199**
	.000	.010	.000	.000	.000	.015	.000
	500	500	500	500	500	500	500
Exposure_v2	.066	.115*	1	.184**	.384**	.061	.419**
	.143	.010	.000	.000	.000	.174	.000
	500	500	500	500	500	500	500
Acceptance_v3	.514**	.303**	.184**	1	.303**	.135**	.247**
	.000	.000	.000	.000	.000	.002	.000
	500	500	500	500	500	500	500
Retention_v4	.367**	.500**	.384**	.303**	1	.252**	.179**
	.000	.000	.000	.000	.000	.000	.000
	500	500	500	500	500	500	500
Comprehension_v5	.191**	.108*	.061	.135**	.252**	1	-.004
	.000	.015	.174	.002	.000	.000	.928
	500	500	500	500	500	500	500
Attention_v6	.240**	.199**	.419**	.247**	.179**	-.004	1
	.000	.000	.000	.000	.000	.928	.000
	500	500	500	500	500	500	500

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.708 ^a	.502	.496	2.38762
a. Predictors: (Constant), v6, v5, v1, v3, v2, v4				

Multiple Correlations Coefficient

In statistics, the coefficient of multiple correlations is a measure of how well a given variable can be predicted using a linear

function of a set of other variables. It is the correlation between the variable's values and the best predictions that can be computed linearly from the predictive variables.

$$R_{1.234} = \sqrt{1 - (1 - r^2_{1.4})(1 - r^2_{13.4})(1 - r^2_{12.34})}$$

The value of R is 0.708 which shows that the overall relation among all considered seven variables are high and they have huge impact on each other. The value of R supports alternate hypothesis.

So we can accept alternate hypotheses that is “Celebrity endorsement by companies in FMCG segment has significant impact on consumer buying behavior of FMCG products in Delhi NCR”

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1.612	.672		-2.400	.017
	Action_stage_V1	.387	.032	.459	12.066	.000
	Exposure_v2	-.087	.029	-.114	-3.003	.003
	Acceptance_v3	.300	.030	.347	10.020	.000
	Retention_v4	.030	.036	.034	.823	.411
	Comprehension_v5	.105	.037	.093	2.822	.005
	Attention_v6	.111	.039	.104	2.889	.004

a. Dependent Variable: Actual Purchase

Celebrities should be used for FMCG Products because they ensure attention of the target group by breaking the clutter of advertisements and making the advertisement and the brand more noticeable.

- Celebrity endorsement will be more effective when used consistently over time to increase the strength of the link between the celebrity and endorsed brand.
- When selecting a celebrity endorser for FMCG Products, companies must

choose a celebrity who is not already strongly associated with another product in the same category.

- Celebrity endorser can be used to effectively reinforce and/or create an image for FMCG Products.
- Celebrity endorsement can be more effective for less familiar brands and when consumers have limited knowledge about the product.
- The issue of matching the values of the celebrity with the brand values is also very important, i.e. getting the



right celebrity to endorse the right brand. Consumers perceive the brand as having superior quality because it has been endorsed by a credible source. This makes endorsement as one of the indicators of quality for any brand

- The over popularity of the celebrity sometimes overshadows the brand. If the celebrity is involved in multiple endorsements, it tends to create confusion among consumer and hence negatively affects the perception of the advertisement and the brand so this should be avoided.

6. CONCLUSION

Celebrity endorsement really work because the qualities associated with the endorser are associated with the brand and the brand therefore remains at the top of the consumer's mind. However one needs to realize that the impact of an endorser cannot be sustainable in all product categories and in all the stages of brand life cycles. It really depends upon the type of product. If it is a 'functional brand', then the product itself is the hero. Here any celebrity association with the brand without corresponding performance of the product will not be sustainable. While incase of 'image brands', like the categories of soaps, soft drinks, cigarettes etc., where it is difficult to distinguish between the products, celebrity endorsements help to distinguish between the brands at an emotional level.

People would be more likely to buy a brand that was endorsed by their favorite celebrity. Celebrities ensure attention of the target group by breaking the clutter of advertisements and making the advertisement and the brand more noticeable. A celebrity's preference for a brand gives out a persuasive message and hence, because the celebrity is benefiting from the

brand, the consumer will also benefit. There is a demographic and psychographic connection between the stars and their fans. Demographic connection establishes that different stars appeal differently to various demographic segments i.e. age, gender, class, geography etc., while psychographic connection establishes that stars are loved and adored by their fans.

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