

# THE INFLUENCE OF ENDORSEMENT ON PURCHASING ATTITUDE OF CONSUMER – A STUDY WITH REFERENCE TO FMCG IN CHENNAI CITY

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## Introduction:

Celebrity endorsement is a form of advertising campaign or marketing strategy used by brands, companies, or a non-profit organization which involves celebrities or a well-known person using their social status or their fame to help promote a product, service or even raise awareness on environmental or social matters. Marketers use celebrity endorsers in hopes that the products or the brand image associated with the celebrities. Celebrity endorsement is usually commonly used by fashion or beauty brands, but a non-profit organization relies on celebrities as well, as celebrities have mass communication skills which can attract people's attention and is helpful in reaching a wider audience to raise their awareness towards a certain organization or an issue.

Celebrity branding is also known as celebrity endorsement, and is a form of publication by portraying a well recognized sports or entertainment celebrity to be a brand ambassador for a company or firm, and by using their social status to promote a service or product (Udo, NWulu, & Stlella, 2015).

Fast moving consumer goods (FMCG) sector is the 4th largest sector in the Indian economy with Household and Personal Care accounting for 50% of FMCG sales in India. Growing awareness, easier access and changing lifestyles have been the key growth drivers for the sector. In the last few years, the FMCG market has grown at a faster pace in rural India compared with urban India (India Brand Equity Foundation, Jan 2018).

It has specific characteristics like small value, but forms a significant part of the consumer's family budget, limited inventory of these products is the consumer's and prefers to purchase them frequently, as and when required, most products are perishable or limited shelf life, the consumer spends little time on the purchase decisions being habitual with high brand loyalty, Brand recommendations of reliable retailer/dealer drive purchase decisions are accepted, Trial of new product i.e. brand switching is often induced by heavy advertisement, recommendation of the retailer or neighbors or friends, FMCG products cater to necessities, comforts as well as luxuries, and caters to entire consumer lot with price and income elasticity of demand varying across products and consumer (Anilkumar .N and Jelsy. Joseph 2014.)

## Literature Reviews:

FMCG companies make such marketing strategies which create a favorable environment for rural consumers and help to understand them which product suit best to them. Special kind of marketing mix strategies are required for rural marketing which emphasize on low price along with low cost phenomena. Sulekha & Dr. Kiran Mor. (2013) Reliability and product attributes plays a vital role for the low income and price conscious set of consumers and they largely remain brand loyal, their considerable portion of monthly income is spent on buying grocery including FMCG products. Promotion and offers have considerable impact on larger household and young adults and at the same time where they are buying generic products, they nourish aspiration value for branded products which remains restricted due to lack of money. Shalini Srivastava (2013)

The rural and suburban consumers are very concerned about the quality, brand name and benefits of the personal care FMCG products purchased by them, further once they satisfied with such brands they do not change it easily due to influence of friends or social groups and lack of availability of their brands, they search their brand products in some other retail shops instead of compromise or switch over to another brand. Anilkumar .N and Jelsy. Joseph (2014) The purchase attitude is influenced by the celebrity endorsement factors, product evaluation and brand recognition as well as marketers have to monitor the changing pattern of consumer's aspirations and competitive actions. Lalitha Balakrishnan, C. Shalini Kumar (2011). Branding and celebrity endorsements are both inter linked each other. Consumers have clearly indicated that the role of celebrity endorsement is to reinforce their choice of products or service based on quality, price and utility and a mere endorsement will not attract them towards a product. V. Manjusha and Dr. V. Segar (2013). Marketers acknowledge the power of celebrities in influencing consumer – purchasing. Celebrity appearance, knowledge, liking, and credibility of the celebrity are also highly correlated with advertising believability. Dr. Hellen K. Mberia (2014) Celebrity alone does not guarantee success nor does a great advertising campaign of the product. It is the combination of several factors and elements the work together for the success of a brand and its acceptance in the minds of consumers as well as for its market offering. Advertisers use celebrities in their advertisement to increase the effectiveness and heighten the believability of commercials. A. Kavitha (2016). The consumers buying behavior was also influenced by the multiple celebrity's endorsed a single brand and same time the purchase intentions of the consumers were increased when multiple celebrities endorsed a single brand or a product. This would be more effective when using a celebrity who is not strongly associated with another product or service. Annadurai Pughazhendi and Deenadhayal Sudharani Ravindran (2012). To restore a failing brand, increase sales, or to further boost the image, celebrity endorsement can bring more glitz towards the retail brand's marketing strategy. Celebrity endorsement can be a truly

profitable advertisement for retail companies to fully harness if the company knows about the star power and the image of the celebrity in relation to the power and the functions of the brand. Danial Francis, Rashad Yazdanifard (2013). Result show that the celebrity endorsement has reasonable impact on customers as per their attitude and buying intention. Physical attractiveness, credibility and congruence of the celebrity with the reference to endorsed advertisement all have impact on customer perception about the advertised product. It has highlighted that celebrity endorsement advertisement boosting up the sales and purchase of product; people like to buy products and services which are endorsed by the celebrities. Rizwan RaheemAhmed, Sumeet Kumar seedani, Manoj Kumar Ahuja, Sagar Kumar Paryani.(2015).The study concluded that the use of celebrities to endorse a marketing offer creates a very favorable influence on the consumers and it creates a connection which forces a consumer to patronize a product. it is essential for advertisers to be aware of the complex processes underlying celebrity endorsement to avoid several failures in this. Wilson Edzorna Dzisah, Chosniel Elikem Ocloo(2013).Celebrity endorsement is an expensive engagement and must be planned carefully in order for firms adopting it to gain profitability. It is important that firms that tarnished images turn to this sort of promotion because celebrities aid advertisement stand out from the other surrounding clutter. From managerial perspective, the outcomes of this study bring practically important results for marketers to consider when choosing a celebrity for an advertisement. Israel Kofi Nyarko, Vincent Asimah, Edinam Agbemava (2015).Brands must seek out celebrities with positive associations in the mind of their target customers, but they must also be aware of the potential risks of this. Celebrities are only human after all: they might run themselves, and your brand, into hot water – think Jamie Oliver and Sainsbury's. Take advantage of the tool, but don't forget to tread carefully when championing a personality. Valeria Rebrentseva (2014).

#### Gaps of the Literature:

After reviewing national and international literature pertaining to celebrity endorsement and purchase attitude, researcher identified the following missing school of thoughts.

1. There is no direct relationship between celebrity endorsement and purchase attitude was not discussed in the previous research work
2. The researcher did not underpin the contribution on the purchasing attitude of FMCG customers. These missing school of thoughts lead to the following objective
  1. To study the factors influencing the consumers through celebrity endorsement.
  2. To find the influence of demographic variables on the consumers attitude towards celebrity endorsement.

These objectives compelled the researcher to test the following two hypothesis.

1. There is no significance impact of Celebrity endorsement on purchase attitude of FMCG consumer.
2. There is no significance relation between demographic variables and attitude of FMCG consumers.

#### METHODOLOGY:

This study is completely of analytical type based on the primary data obtained from the consumers of FMCG.

The primary data is collected through a structured questionnaire. The researcher conducted both pilot study main study using this questionnaire. The researcher applied convenient sampling method to collect 100 samples from FMCG consumer to conduct the pilot study. The reliability co-efficient 0.0899 for all the statement in Likerts 5 point scale exhibited the high reliability. Therefore the same convenient sampling method is also adopted to conduct the main study. The researcher collected the 200 responses, one-way analysis of variance and structured equation model to test the hypothesis and to verify the objectives.

#### Analysis and Discussion:

In order to measure the influence of celebrity endorsement on purchasing attitude of consumers. The researcher intended to use 3 statistical tools namely Factor analysis, Linear multiple Regression analysis and Structural Equation Model. At the initial stage the researcher applied factor analysis on 10 variables pertaining to Celebrity Endorsement and 12 variables regarding purchase attitude of consumers. The first application of factor analysis identified 3 predominant factors namely Magnetic Attraction, Product Introduction and Product Utility.

Total variance. Table 1,

Component	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.550	37.920	37.920	2.692	22.430	22.430
2	1.871	15.594	53.514	2.446	20.386	42.816
3	1.350	11.250	64.764	1.835	15.295	58.111
4	.766	6.380	71.145	1.564	13.033	71.145
5	.704	5.869	77.014			
6	.639	5.327	82.341			
7	.568	4.733	87.074			
8	.423	3.524	90.598			
9	.351	2.921	93.519			
10	.299	2.489	96.008			
11	.256	2.131	98.140			
12	.223	1.860	100.000			

## 1. Magnetic attraction:

Magnetic attraction consist of 4 variables namely

1. Celebrities attract the consumers through their popularity.
2. Consumers are influenced by the celebrities' popularity
3. Consumers have their intention to use the products the celebrities use.
4. Consumers are able to recall the brand knowledge through celebrity.

## 2. Product Introduction:

This factor consist of 3 variables namely

1. Celebrities honestly advertise the pproducts
2. The products when advertised by celebrities easily reach the people
3. The brand awareness is obtained through celebrities.

## 3. Product Utility:

1. Consumers generally like to use the products advertised by the celebrities
2. There is a deep relationship celebrities and their product usage.
3. Consumers shows special enthusiasm towards the products used by the celebrities
4. Similarly the researcher applied factor analysis on the 12 variables of purchase attitude and obtained 4 predominant factors namely,
  1. Optimistic attitude
  2. Dynamic attitude
  3. Negative attitude
  4. Normal attitude

These 4 factors derived through Factor analysis and their average scores are considered as dependent variables, therefore the present research is encounter with 3 independent factors and 4 dependent factors. In this scenario the linear multiple regression analysis is applied and the following results are obtained.

Table 2. Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.040	.314		3.309	.001
	Optimistic	.733	.083	.430	8.858	.000
	Dynamic	.192	.065	.137	2.956	.003
	Negative	-.021	.083	-.012	-.254	.800
	Normal	-.057	.061	-.043	-.921	.358

a. Dependent Variable: SAT

It is found that the 3 celebrity endorsement factors are found to influence, the 4 dependent factors with significant  $r^2$  values,  $t$  - values and  $f$ - values at 5% level. This is further proved empirically through Structural Equation Model with the following fit indices.

1. Chi-square =5.954,  $p=.413$
2. Goodness of fit index = 0.956
3. Comparative fit index =0.952
4. Root mean square error of approximation = 0.08

The above mentioned fit indices the required mark values, Therefore this proves the significant relationship between Celebrity Endorsement factors and purchasing attitude of FMCG consumers.

## Findings and Conclusion:

The research found that the FMCG consumers in Chennai city are highly influenced by the celebrity advertisement. There is a good momentum in the marketing arena of FMCG consumers through celebrity advertisement. It is further revealed that there is no unique pattern in the purchasing attitude of consumers. They have both positive as well negative attitudes in the purchasing of FMCGs. It is also proved that the Celebrity Endorsement, The negative attitude of consumers of FMCGs is transformed into positive attitude and motivate the consumers to purchase the product.

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