

Impact Of Celebrity Endorsement On The Suggestive Value Of FMCGs: A Study With Reference To Kottayam District

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ABSTRACT

The hype in the level of competition among marketer calls for a 'stand out' strategy of promotion. The use of celebrities signals the consumers about the presence and attributes of a product, and acts as a recalling factor. The paper attempts to focus on the general impact of celebrity endorsement on consumers and the specific impact on its suggestive value. The influence of a celebrity endorser is not confined to individual consumers; it induces them to further endorse such products.

Keywords: **Celebrity Endorsement, Suggestive Value, Recalling factor.**

INTRODUCTION

The challenge of the marketer in the present era is to find a hook that will hold the subject's attention. This is inevitable, as the consumers are becoming choosier in terms of approach, levels of satisfaction, lifestyle and ability to spend. They change with the changing environment to cope up with the trend and fashion. However, as a matter of fact, their consumption levels, tastes, preferences and pattern of consumptions are hugely affected by numerous factors, of which, one of the most important factor is Celebrity Endorsement.

Celebrities are people who enjoy specific public recognition by certain groups of people. They have some characteristic attributes like attractiveness, extra-ordinary lifestyle or special skills that are not commonly observed. Celebrity Endorsement maybe defined as a contract extended by a brand or a company to a celebrity to advertise, promote and create awareness about their products and services.

Celebrity Endorsements have so powerful and last longing effect on consumers that they start getting addicted to the particular brand owing to the fact that their favourite celebrity is endorsing it. Thus, the concept of Celebrity Endorsement is known to be playing the role of a signaling strategy.

STATEMENT OF THE PROBLEM

The present study focuses on the effect of celebrity endorsement on the purchase decision of consumers of different demographic profiles, with special reference to Kottayam district. It also concentrates on the association of celebrity endorsement on the suggestive value of Fast Moving Consumer Goods.

REVIEW OF LITERATURE

Rachbini (2018) investigated the impact of celebrity endorsement variables on purchase intentions in “The Influence of Celebrity Endorsements on Purchase Intention (A Study on VIVO V7)”. The study revealed the significance of three factors, namely attractiveness, expertise and trustworthiness being the contributors to celebrity endorsement variable. Moreover, he concluded that trustworthiness enjoyed highest significance, followed by attractiveness and expertise dimensions.

Naresh Babu (2016), in the paper “The Effect of Celebrity Endorsed Advertisement and Branding on Rural Consumer Purchase Intention towards selected Personal Care Products in FMCGs” related the effect of celebrity endorsed advertisements to the purchase intentions of rural consumers. Rural consumers were found to be influenced by celebrity endorsed advertisements. It created good brand image, provided the product is good in quality and value for their money.

Muda et al. (2014) focused on developing, testing and validating a model that could explain the effects of celebrity entrepreneur endorsement on advertising effectiveness in the paper “Celebrity Entrepreneur Endorsement and Advertising Effectiveness”. The findings unveiled that both celebrity credibility and advertisement credibility had a positive impact on attitude toward the advertisement and attitude toward the brand. As a result, the impact of consumers’ perceived credibility on purchase intention was mediated by their attitudes.

Jija et al. (2013), in their article “Influence of Celebrity Endorsement on the Consumer’s Purchase Decision”, found that quality is much more important factor than celebrity endorsement, while purchasing a product. Still, the presence of a celebrity is helpful in recognizing a product. Television is considered as the best medium for celebrity endorsement.

Giridhar (2012), in his article “Effects of Celebrity Endorsement on Consumer Buying Behaviour and Branding of a Brand”, concluded that celebrity endorsement enhances product information and creates awareness among consumers (study with reference to Shimoga). Consumers are induced significantly by a celebrity endorser when the target is on quality and price.

Putit et al. (2011) discussed about the association between the brand and celebrity, and the potential dangers of the strategy through “Celebrity Endorsement in Advertising: A double-edged Sword”. It was

concluded that the negative image of the endorser can do more harm to the brand image, where the impact will be more than that created by positive image.

RESEARCH GAP

The above studies concentrate on the general impact of celebrity endorsement on purchase intention of consumers and the factors influencing their product choice. This paper attempts to highlight the effect of the presence of a celebrity on the suggestion of a product by consumers i.e. an application level of such endorsement.

OBJECTIVES

1. To identify the impact of a celebrity endorsed advertisement on the suggestion of FMCGs.
2. To analyse the gender wise impact of celebrity endorsement among consumers.

HYPOTHESES

H₀₋₁: There is no significant relationship between gender of the respondent and the impact of celebrity endorsement.

H₁₋₁: There is significant relationship between gender of the respondent and the impact of celebrity endorsement.

H₀₋₂: There is no significant relationship between the frequency of watching celebrity advertisements and the suggestion of celebrity endorsed products.

H₁₋₂: There is significant relationship between the frequency of watching celebrity advertisements and the suggestion of celebrity endorsed products.

RESEARCH METHODOLOGY

The research undertook is descriptive in nature. Kottayam district was selected for the study, on account of availability of literate respondents from different spheres, and convenience. The required data were collected using both primary and secondary sources.

Primary data was collected through a structured questionnaire from 100 respondents within the limits of Kottayam district. Convenience sampling technique was used. Secondary data was collected from different sources of literature such as magazines, journals and internet.

DATA ANALYSIS AND INTERPRETATION

TABLE I

DEMOGRAPHIC PROFILE OF RESPONDENTS

Demographic factor	Group	No. of Respondents	Percentage
GENDER	MALE	50	50
	FEMALE	50	50
AGE	18-25	26	26
	25-35	28	28
	35-50	24	24
	ABOVE 50	22	22
OCCUPATION	Student	20	20
	Professional	22	22
	Business	20	20
	Other modes of Employment	18	18
	Unemployed	20	20

Source: Primary data

Interpretation:

Above table deals with the demographic profile of respondents. It shows that 50percentage of the respondents were male and rest 50percentage were female. About the age of respondents, 28percentage of the respondents belong to the age group 25-35, 26percentage respondents were in the age group 18-25, 24percentage were in the age group 35-50 and the remaining 22percentage belong to the age group of 50 and above. Occupation wise classification reveals that, 20percentage were students, 22percentage were professionals, 20percentage were engaged in business, 18percentage were engaged in other modes of employment and the remaining 20percentage were unemployed.

TABLE II

FREQUENCY OF WATCHING CELEBRITY ADVERTISEMENTS

Frequency	No. of Respondents	Percentage
Once in a day	62	62

Once in a week	20	20
Rarely	16	16
Never	2	2
Total	100	100

Source: Primary data

Interpretation:

From table, it is clear that 62percentage of the respondents watch celebrity advertisements daily, 20percentage watch them once in a week, 16percentage rarely watch them and 2percentage never watch celebrity advertisements. It shows the inevitability of media in modern life.

TABLE III
SUGGESTION OF CELEBRITY ENDORSED PRODUCTS

Suggested	No. of Respondents	Percentage
Yes	50	50
No	50	50
Total	100	100

Source: Primary data

Interpretation:

From the table, it is identified that while 50percentage of the respondents suggest their favourite celebrity-endorsed product to others, the rest 50percentage do not suggest the products endorsed by their favourite celebrity. It shows that the satisfaction level of consumers in general, regarding such products, is neutral.

TABLE IV
IMPACT OF CELEBRITY ENDORSEMENT

Impact	No. of Respondents	Percentage
Positive	70	70
Negative	22	22
Neutral	8	8

Total	100	100
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Source: Primary data

Interpretation:

Table reveals that 70percentage of the respondents consider the presence of celebrity endorsement as positive, 22percentage considers it as negative, and the remaining 8percentage holds a neutral opinion. In general, presence of a celebrity endorser adds an extra value to a product.

Hypothesis 1:

H₀: There is no significant relationship between gender of the respondent and the impact of celebrity endorsement.

H₁:There is significant relationship between gender of the respondent and the impact of celebrity endorsement.

Test Statistic:

$$x^2 = \sum \frac{(O - E)^2}{E}$$

E= Row Total × Column Total

Grand Total

Level of Significance=5percentage

Degree of freedom

V= (r-1) (c-1)

= (2-1) (2-1) = 1

Table Value:

Table value at 5percentagelevel of significance with 1 d.f = 3.84

TABLE V

a) GENDER OF THE RESPONDENT AND IMPACT OF CELEBRITY ENDORSEMENT

Gender	Impact			Total
	Positive	Negative	Neutral	

Male	32	12	6	50
Female	38	10	2	50
Total	70	22	8	100

Source: Table

b) CALCULATION OF CHI SQUARE VALUE

O	E	(O-E)	(O-E) ²	(O-E) ² /E
32	35	-3	9	0.2571
38	35	3	9	0.2571
18	11	7	49	4.4545
12	11	1	1	0.0909
				$\chi^2=5.0596$

c) RESULT OF THE TEST OF HYPOTHESIS

Test	Degree of Freedom	Level of Significance	Computed Value	Table Value	H ₀
χ^2	1	5percentage	2.5298	3.84	Accepted

Decision:

Since the computed value of χ^2 is less than the table value, the null hypothesis is accepted. Hence, there is no significant relationship between gender of the respondent and the impact of celebrity endorsement.

Hypothesis 2:

H₀: There is no significant relationship between the frequency of watching celebrity advertisements and the suggestion of celebrity endorsed products.

H₁: There is significant relationship between the frequency of watching celebrity advertisements and the suggestion of celebrity endorsed products.

Test Statistic:

$$\chi^2 = \sum \frac{(O - E)^2}{E}$$

E= Row Total × Column Total

Grand Total

Level of Significance=5percentage

Degree of freedom

$V = (r-1) (c-1)$

$= (2-1) (2-1) = 1$

Table Value:

Table value at 5percentagelevel of significance with 1 d.f = 3.84



TABLE VI

a) FREQUENCY OF WATCHING CELEBRITY ADVERTISEMENTS AND THE SUGGESTION OF CELEBRITY ENDORSED PRODUCTS

FREQUENCY	SUGGESTED CELEBRITY ENDORSED PRODUCTS		TOTAL
	YES	NO	
Once in a day	38	24	62
Once in a week	6	14	20
Rarely	6	10	16
Never	0	2	2
Total	50	50	100

b) CALCULATION OF CHI SQUARE VALUE

O	E	(O-E)	(O-E) ²	(O-E) ² /E
38	31	7	49	1.5806

12	19	-7	49	2.5789
24	31	-7	49	1.5806
26	19	7	49	2.5789
				$\chi^2=8.319$

c) RESULT OF THE TEST OF HYPOTHESIS

Test	Degree of freedom	Level of significance	Computed value	Table value	H ₀
χ^2	1	5percentage	8.319	3.84	Rejected

Decision:

Since the computed value of χ^2 is greater than the table value, the null hypothesis H₀ is rejected. Hence, there is significant relationship between the frequency of watching celebrity advertisements and the suggestion of celebrity endorsed products.

FINDINGS

- 62percentage of the respondents come across advertisements that feature celebrities daily, 20percentage of them once in a week, 16percentage of them rarely, and 2percentage never.
- 50percentage of the respondents admit that they have suggested celebrity endorsed product to others and the remaining half has not made such suggestions.
- 70percentage of the respondents possess a positive attitude towards the influence of celebrities as a consumer, 22percentage have negative opinion and 8percentage are neutral.
- Female have a higher positive attitude towards celebrity endorsement than men.
- Higher the frequency of being exposed to celebrity advertisements, higher will be the suggestive value of such products.

SUGGESTIONS

- Increase in the frequency of advertisements is desirable.
- Reliance on viral marketing strategy is effective to capture the attention of female consumers.
- Proper market research should precede the choice of a celebrity.

CONCLUSION

The presence of a celebrity has a peculiar impact in informing the prospective consumers regarding the existence of the product in the market, and its distinguishing attributes. Higher the frequency of the celebrity advertisements they are exposed to, greater will be the chance of remembering them. The utility of such products is engraved in the minds of consumers, which in turn enhances the suggestive value of the product. Thus, the use of celebrity endorsement, in practice, acts as a recalling factor.

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