

Impact of Celebrity Endorsement on Consumer Buying Behaviour towards household and personal care products

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ABSTRACT

Endorsements play an important role in the marketing strategy of any organization to sell their products. Companies make their marketing efforts through newspaper, television, mailers, internet, newspapers, celebrities, etc. We as consumers are also seldom influenced by the presence of certain celebrity in the advertisements of products that we wish to buy. The impact of celebrity endorsement has been a subject of continuous study to improve the marketing strategies. This research focuses on studying the impact of celebrity endorsement on the buying behaviour of consumers towards household and personal care products. The consumers enrolled for this study belong to the state of Punjab. Motivation and Attention were the two variables considered for this study. The results showed that the presence of a celebrity “Motivates” the consumers to buy the products. Such advertisements also increase the “Attention” level of consumer as compared to advertisements of products endorsed by non-celebrity.

1. INTRODUCTION

Today's aggressive world makes it very difficult for consumers to outline their approach and intentions and move them to the next level of purchasing. It's also difficult and very challenging for marketers to survive in such a tough competitive market. Every promotional strategy is aimed at making their goods available and creating a lasting reflection. Companies make their marketing efforts through newspaper, television, mailers, internet, newspapers, celebrities, etc.

Household care and personal care contributing significant share in FMCG sector. Now, the demand for household goods and personal care products is rising with rising living standards, population buying power, urbanization, literacy, media growth, improved transportation, communication networks, supermarket growth, hypermarkets and organized retail outlets etc. Currently, multinational companies are facing competition from major retail stores, which are increasingly introducing brand products of their own private label .

For instance, in India many competing firms of FMCG sector are engaging celebrities from entertainer, musicians and film actors. However, this practice is not confined to this sector, but also other sectors as well. McCracken (1989) defines 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” In fact, celebrities are mostly used to support brands with a greater likelihood of attracting public attention and influencing consumer attitudes and buying intentions (Munnukka et al. 2016; Pradhan et al. 2016; Zhou & Whitla 2013). As such, the benefits of companies ' practices of the recognition of celebrities is well known in the literature (Choi & Rifon 2012; Keel & Natarajan 2012).

Does the approval of celebrities really work, particularly in a developing country, taking into consideration such countries ' overall cultural and socio-economic dimensions? Celebrity endorsements are capable of having both positive and negative effects on the brands they associate with. This general notion that celebrities offer a higher degree of attraction, publicity and customer awareness than non-celebrities. Marketers often contend that celebrities have an influence on the validity of the claims made, improve the memorability of the advertisement and can generalize the product to a positive effect . Despite their potential benefits, celebrity endorsement raises the financial risk for advertisers. Nonetheless, the use of celebrities is considered to be an unnecessary risk unless they are very logically linked to the product.

In this paper, the impact of presence of celebrity in endorsement of household and personal care products towards the buying behaviour of consumers is studied. The study determines the level to which a celebrity “motivates” a consumer and how the “attention” level of consumers towards advertisements is affected by presence of celebrity in them.

2. LITERATURE REVIEW

Daneshvary and Schwer (2000) worked on the association endorsement and consumer intention to purchase. They found a positive relationship between income with association-endorsed products. High-income group people more likely to buy than less income group. Women were more tendered to purchase association-endorsed products than men. Education has a negative relationship with association-endorsed products. Less educated people are more influenced to buy than college students.

Muruganatham and Kaliyamoorthy (2009) studied the product positioning strategies for personal care segment and also to know the effect of celebrities on consumer’s mind. Author choose two most advertised products (Lux soap, Pantene Pro-V shampoo) during Jan-June,2007 on Indian TV. The pilot study was conducted in Chennai city. Successful positioning depends on how much companies can efficiently differentiate their brands from the competitor ones.

Saleem (2007) attempted to study the variation in the perception towards celebrity endorsed products based on the gender and age of the respondents. The difference was observed between single celebrity and multiple celebrity endorsements. The students belonged to Federal Urdu University and Foundation University, Islamabad. The result showed that age did not have any significant impact on the consumer perception towards advertisement and attitude towards a brand.

Roy, Jain, Daswani, and Sudha (2010) examined the use of celebrities in Indian TV commercials. The study aimed at identifying the mode used to depict a celebrity television commercials. They also inferred the relationship between the type of celebrity and the category of product endorsed. Four models (Explicit model, Implicit model, Imperative model and Co-present model) as proposed by (McCracken, 1989) were used to achieve the objectives.

Pughazhendi and Ravindran (2012) from their study concluded that celebrity plays a crucial role in impacting the pre-purchase attitude of the consumer thus, making the brand more visible. The study has following purposes: to study the impact of celebrity endorsement on consumer buying pattern; to examine the impact of demographic variables like gender, income, and age on buying behaviour; to study the fruitfulness of non-celebrity endorsement against celebrity endorsement; to study the effect of multiple celebrity endorsements.

Dzisah and Ocloo (2013) studied the importance of celebrity endorsement in the advertisement. The researcher explored the factors which consumer think utmost essential to make a purchase. The main aim was to study the influence of celebrity endorsements on consumer buying behaviour, to measure the impact of any other variables on consumer and do celebrity endorsement really impact the real purchase and promotion. A hybrid approach was used to conduct the study where both qualitative and quantitative aspects were considered. The target population was the customer, workers and marketing managers of corporate organizations of Accra, Ghana.

Rai and Sharma (2013) studied the influence of eight different variables (attractiveness, controversy, credibility, gender, performance, popularity, profession, and territory) on consumer purchase behaviour. The research focused on two objectives: to know the effect of celebrity endorsement on consumer behaviour regarding branded and unbranded products; to examine the attributes that contribute to the success of having a celebrity in a product advertisement.

Chaudhary and Asthana (2015) conducted exploratory and quantitative research to examine the impact of celebrity endorsement on consumer buying decisions. This study also examined the effect of favourite celebrity on consumer’s brand loyalty. Descriptive research design adopted for the study.

Abdussalam and Johnson (2016) conducted their research to analyse the trends and pattern of celebrity endorsement in INDIA. The study also attempted to measure the extent to which celebrities are used in television advertisement based on product categories. Five product categories like medicine and toiletries, drinks and confectionery, personal appearances, home appliances and miscellaneous items were created to categorise the products. All the advertisement covering five categories of items were recorded when they were telecasted on the TV.

Koththagoda and Dissanayake (2017) investigates the relationship between celebrity endorsement practices about behavioural and cognitive perspectives across the markets in Sri Lanka. This study examined attitude, love and trust of consumers towards a brand endorsed by celebrity.

Gauns, Pillai, Kamat, Chen, and Chang (2018) examined the impact of the effect of demographic variables like education, gender, location, age, etc. on consumer purchase intention. They also measured the effect of familiarity, expertise, trustworthiness, and meaning transfer attributes of a celebrity on purchase intention of the consumer.

3. OBJECTIVE

To study the role of celebrity endorsement in the determination of consumer buying behaviour towards household and personal care products.

Hypothesis

H01: There is no significant role of celebrity endorsement on consumer buying behaviour towards household and personal care

4. RESEARCH METHODOLOGY

This study has been exploratory and descriptive in nature. Exploratory research helps to explore the topic and descriptive research helped to analysis the topic towards the celebrity endorsement. The data was collected through structured questionnaire. The researcher chose three regions of the Punjab, i.e., Majha (Amritsar), Malwa (Bathinda) and Doaba (Jalandhar). The respondents were selected from the Urban, Sub-urban and Rural regions. The scope of the study will be limited to two particular sectors only: household care and personal care. Sample will consist of respondents from rural and urban population. Care would be taken to ensure that all of set populations are adequately represented in the sample. The study will be restricted to electronic media (TV, internet and radio). The celebrities can be an artist, Bollywood star or a sports personality. Judgemental sampling was used because it decreases the cost and time to conduct the study. The selected regions were broken into strata and judgemental sampling was used to select units within each strata. The total sample size was 900 respondents, 300 respondents from each districts were selected by judgemental sampling. As sample size was very large and researcher face many problems to choose the sample size, so researcher used stratified random sampling to select the size of population. Further, disproportionate stratification was used to select the size of the urban, sub-urban and rural population. The three districts were selected on the basis of the size of the populations. Pilot survey was conducted which involved 100 participants. The errors reported by the respondents were removed. After correction the questionnaire was sent to 1000 respondents via offline and online mode. 950 respondents gave their feedback. After careful verification 902 responses were found to be correct for analysis. Rest 48 were rejected because of data entry in-completion or errors.

5. DATA ANALYSIS AND INTERPRETATION

The role of celebrity endorsement in the determination of consumer buying behaviour has been studied using scale developed based on the previous literature. In the literature, two aspects on the role of celebrity endorsement has been studied. Theoretically, the celebrity affects the consumer buying behaviour in two ways – (1) to gain the attention of the consumers; (2) motivate them to buy the product. Therefore, theoretically two components or dimensions of celebrity endorsement were hypothesized. Based on the literature, a set of 8 statements measuring the role of celebrity endorsement on consumer buying behaviour was prepared. Five-point Likert scale from Strongly disagree (= 1) to Strongly agree (= 5) was used and analysed using exploratory factor analysis.

EFA is a multivariate statistical technique which is based on interdependence of variables. The primary purpose of factor analysis was to identify and define the underlying relationship among the variables in the analysis. In a multivariate statistical analysis, large number of variables can be used at one time for analysis. Factor analysis is primarily used for two purpose - (i) data reduction and (ii) extraction of underlying dimensions/factors or underlying inter-correlation between the variables.

A factor is formed through grouping of highly correlated variables. A factor contains highly correlated variables which are assumed to represent a dimension within the data. These dimensions or factors may have actually meaning which is not adequately defined by a single variable/statement. In the study, the Exploratory Factor Analysis (EFA) was used to identify the underlying dimensions or structure of relationship among the variables. These dimensions were nothing but composite of specific variables, which allowed dimension to be interpreted and described. Through factor analysis, 2 distinct factors were obtained as initially or theoretically hypothesized. The method of factor extraction used was Principal Component Analysis with Varimax rotation.

Table 1 exhibits the initial test results which were essential to validate the use of factor analysis.

Table 1: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.853
	Approx. Chi-Square	2312.32
Bartlett's Test of Sphericity	df	28
	Sig.	.000

The achieved KMO test statistic value is 0.853 which was quite acceptable to perform EFA. Also, the Bartlett's test was highly significant as value of Chi-square = 2312.32 was very large and significant at alpha level of 1% ($p < .01$), which was a desired result Figure 2 exhibits the rotated component matrix exhibiting the two factors extracted. The rotated component matrix was obtained after the factors were extracted and rotated. The rotated component matrix shows the factors extracted and factor loading of each variable has on factor it belongs to. The strength of relationship between a factor and its variables is measured by factor loading. Factor loadings below 0.40 were suppressed as these were not considered to be significant. The first factor had five variables loading on to it. The highest and lowest factor loadings were 0.757 and 0.587 respectively. The second factor had three observed variables significantly loading on it. The highest and lowest factor loadings were 0.825 and 0.732 respectively.

	Component	
	1	2
I am not going to switch to another brand if it endorsed by my favorite celebrity	.757	
Celebrity endorsement motivates me to more to purchase a particular brand	.728	
I like to recommend friends/relatives to buy products endorsed by celebrities.	.711	
Celebrity endorsement is good for promoting products and increase sale.	.6447	
Products endorsed by popular celebrities are more costly that products without celebrity.	.587	
The advertisement with the celebrity gets my attention more than the advertisement without celebrity.		.825
Advertisement with the celebrity are more popular than advertisement without celebrity.		.797
Advertisement with celebrities are more favourable to remember than advertisement without celebrity.		.732

Figure 1: Rotated component matrix

Naming and Description of the factors extracted

The two factors extracted were named based on the literature and common theme underlying in them. The first factor deals with the association of celebrity with the product/brand whereas the second factor concerns with celebrity and advertisement. Getting support from literature and the underlying theme, the first factor was named as "Motivation" and second factor was named as "Attention". The "Motivation" measured the extent to which the celebrity endorsement affects the consumer motivation to buy the product. The other scale "Attention" measured the extent to which the consumer pays attention to the advertisement with celebrity endorsement.

Reliability and validity of the scale

The reliability of the scale was measured using Cronbach's alpha. 3 exhibits the summary of items and reliability statistics of two scales. The items for "Products with the Celebrity Endorsement" had a Cronbach's alpha coefficient of 0.782, indicating acceptable reliability. The items for "Advertisement with the Celebrity Endorsement" had a Cronbach's alpha coefficient of 0.766, indicating acceptable reliability.

Table 2: Reliability Statistics of scales

Scale	Number of Items	Cronbach's Alpha
Motivation	5	0.782
Attention	3	0.766

Effect of celebrity endorsement on buying behaviour of FMCG products

The role of celebrity endorsement on buying behaviour of FMCG product was examined through measuring the effect of “Motivation” and “Attention” on the buying behaviour of FMCG products. A composite score was obtained through taking the mean of scores of items of the scales. One composite score was obtained for each of the scale. Multiple regression techniques were used to measure the effect.

The results of the linear regression were significant, $F(2,899) = 13.71$, $p = .000$, $R^2 = 0.13$, (refer table 4.35) suggesting that “Motivation” and “Attention” jointly accounted for only 13% of the variance in the buying behaviour of consumers. The individual predictors were examined further. “Motivation” was a significant predictor of buying behaviour, $B = 0.060$, $t = 2.045$, $p = 0.041$. But the p value suggested that the effect was quite weak. Also “Attention” was a highly significant predictor of buying behaviour, $B = 0.065$, $t = 2.534$, $p = 0.01$. Both the predictors positively affected the buying behaviour as the sign of coefficients were positive. Also, the collinearity statistic suggested that the two predictors were unique and distinct as VIF was quite low as compared to threshold value of 5.

	Unstand. Coefficients		Stand. Coefficients	t	Sig.	Collinearity Statistics	F	Sig.	R Square
	B	Std. Error	Beta			Tolerance VIF			
(Constant)	2.501	.118		21.19	.000				
Motivation	.060	.029	.085	2.045	.041	.620	1.61	13.71	.001
Attention	.065	.036	.106	2.534	.011				

Figure 2: Results of Linear Regression

Although, the overall model was significant, the r-square value suggested the predictability of the model was moderate and the overall the model was moderate fit model. Further, the assumptions of regression analysis were examined. The residuals were normally distributed. There was slight skewness towards right hand side and slight peak was also observed. Also, Figure 3 exhibited the p-p plots of the residuals. The residuals were almost on the diagonal line and there was small skewness in the residuals or little deviation from perfect normal distribution. Most of the points were on the diagonal line.

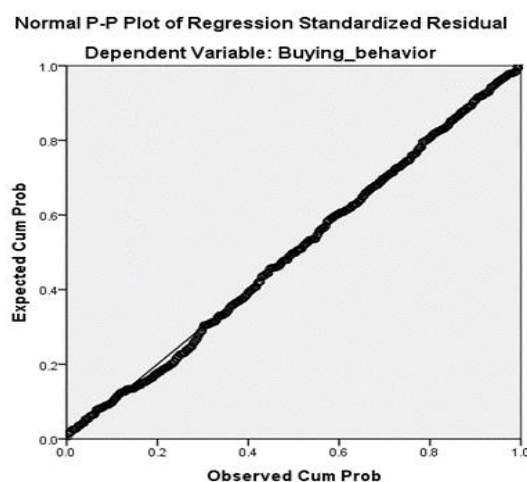


Figure 3: P-P plots of residuals

CONCLUSION

This study concludes that celebrities in advertisement are positively perceived by consumers. The proper fit between product and endorser are rare characteristics influencing the PI of the buyers. The strong bond between endorser and the product gives a strong outcome. Product quality and celebrity endorsement also plays a major role in the product offering to Urban and rural markets, as they are related to the affordability, the ability to identify and the appeal of the products to buyers. But if, endorser and product doesn't fit properly with each other, it could negatively effect the consumers as well it could damage the image of the brand. Companies need to select appropriate strategies for advertising appeal. They have to carefully monitor the needs and interests of the buyers for a specific product. There must be a proper-fit between celebrity and product image, which ultimately leads to consumer satisfaction.

In future studies researcher can examine the effect of celebrity endorsement on other category of FMCG segment. Comparative study could be performed between celebrity and Noncelebrity to examine their effect on FMCG sector.

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