

Effectiveness of Celebrity Endorsement on Selected FMCG- Fast Moving Consumer Goods



S.K. Agarwal
Associate Professor,
Deptt. of Commerce,
D.N. College, Meerut
U.P., India



Sonam Agarwal
Research Scholar,
Deptt. of Commerce,
D.N. College, Meerut
U.P., India

Abstract

In today's time most attractive and impactful way of advertisement is celebrity endorsement, Reason for this is that consumers trust celebrities. The present study is about effectiveness of celebrity endorsement on selected FMCG. For the study four FMCG products-deodorants, shampoo, hair oil and toothpaste are selected. The study provides some information about FMCG sector and celebrity endorsement. The study begins with the existing literature review available on effectiveness of celebrity endorsement. The objective of the study is to find out the effectiveness of celebrity endorsement on selected FMCG. The study covers 50 respondents from Meerut city. Survey is conducted through well structured questionnaire. Data is analyzed using percentage method. In the findings it is observed that celebrity endorsement has a positive impact on selected FMCG.

Keywords: Effectiveness, Celebrity Endorsement.

Introduction

According to Friedman and Friedman, a "celebrity endorser is an individual who is known by the public for his or her achievements in areas other than that of the product class endorsed". Celebrity endorsement is a form of advertising used by companies which involves celebrities or a well-known person using their social status or their fame to help promote a product. Celebrity endorsement provides recognition to the product endorsed. The use of a Celebrity is one of the most successful ways of earning the consumer's attention and to communicate the right message in a limited amount of space and time. Generally, consumers try to correlate endorsers with endorsed products. Successful careers in sports and other fields are known as celebrity. Celebrity status is often associated with wealth, while fame often provides opportunities to earn revenue.

Types of Celebrity Endorsement

Testimonial

The celebrity acts as a spokesperson for the brand. As Amitabh Bachchan in Kaun Banega Crorepati.

Imported

The celebrity performs a role known to the audience. As beautiful actress for advertising beauty products.

Invented

The celebrity plays a new, original role. Using celebrities' voice in animation.

Observer

The celebrity assumes the role of an observer commenting on the brand. As Varun Dhawan in Navratan oil.

Harnessed

The celebrity's image is integrated with the ad's storyline. As Akshay kumar is associated with energy in Revital H advertisement.

Top 10 Celebrity Endorser in 2019

Rank	Celebrity Name
1	Virat Kohli
2	Deepika Padukone
3	Akshay Kumar
4	Ranveer Singh
5	Shah Rukh Khan
6	Salman Khan
7	Amitabh Bachchan
8	Alia Bhatt

9	Varun Dhawan
10	Hrithik Roshan

(Source-Theeconomicstimes.com)

Fast Moving Consumer Goods (FMCG)

FMCG goods are generally low cost goods that are consumed or used over a short period of time. These items are considered fast-moving as they are quick to leave the shelves of the store or supermarket because consumers use them on a regular basis. These goods are also known as Consumer Packaged Goods (CPG). These are non durable items. FMCG are frequently purchased essential or non essential goods such as food, toiletries, soft drinks, disposable diapers.

There are mainly 4 product categories in FMCG.

Home and Personal

It can be divided into the following categories:

1. Household Care: Fabric wash - Laundry soaps and Synthetic detergents
2. Personal Care: It can be divided into the following categories:
 - a. Oral Care - Toothpaste
 - b. Skin Care - Creams, Lotions, Jellies
 - c. Hair Care - Hair Oil, Shampoos

Foods and Beverages

Foods

Bakery products - Biscuits, bread, cakes, Snack food, Chocolates

Beverages

Tea, coffee & Soft drinks

Cigarettes

Alcohol

Top 5 FMCG Companies

1. Hindustan Unilever Limited
2. Colgate-Palmolive
3. ITC limited
4. Nestle
5. Parle Agro

Review of Literature

Friedman and Friedman (1979) the instant recognition can assist consumers in achieving an emotional tie with the endorsed product as the celebrity is quickly recognized while "cutting through" the clutter of other advertisements. The implied preference is the assumption that if consumers already like the work that the celebrity does (film, television, sports, etc.), then these consumers will also like the products that the celebrity likes. Finally, as some celebrities are considered "cool", the endorsed product in turn, should be "cool" and form a competitive advantage through credibility. This competitive advantage is shown in a study comparing celebrities, "experts" and "typical consumers" in advertisements; "the celebrity endorser was most effective in sustaining brand-name recall and recall of the advertisement" in print advertisements.

Chabo Dimed, Saouma Joulyana (2005) said that it was proven in the study that consumers do get affected by the celebrities as endorser, when the attributes from the literature review are in a combination. But the consumers' perception of the attributes differs in different cases. However, the main

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finding was that there are two crucial attributes, trustworthiness and expertise that companies should take into account when using celebrities in their advertising campaign.

Temperley and Tangen (2006) in their research said that it is 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.

Bahl Sarita (2012) noticed that education has no relevance to form perception of the people regarding the quality of the product being endorsed by the celebrities. Thus celebrities have a dominating influence in all the educated groups in both the urban and rural consumers. It was also found that gender has no influence on the perception of quality of products being endorsed by celebrities in rural and urban category. Thus it can be concluded that celebrities' effect on both the gender groups is equal in the rural and urban consumers. This may be because consumers look at celebrities not as role models but as entertainers. The study also revealed that a sizeable majority of rural and urban consumers are aware of the products being endorsed by the celebrities. In a fairly good number the consumers were able to recall more than one brand being endorsed by the celebrities. Multiple endorsements affect the endorser credibility. This confuses the consumers and also adversely affects the endorser capability. It was also observed that both the rural and urban consumers having high level of brand awareness for both durables and FMCG products.

Randhawa & Khan (2014) examined the consumer perception on celebrity endorsement of FMCG Products and the impact of change in brand endorser on product image. For this purpose the data was collected with the help of pre structured questionnaire through convenience sampling from 50 respondents, percentage method is used to analyze the data. The results showed that celebrity endorsement enhances product information and creates awareness among consumers. It helps them to recall the brands of the endorsed products. Celebrity Endorsed Ads persuade customers to purchase products rather than non-celebrity endorsed Ads, Comic character Ads, Executive Ads and Fiction Ads. Most of the respondents believe that frequent changes in celebrity for advertising the product reduce the purchasing decision of customers.

Objectives of the study

1. To find out the effectiveness of celebrity endorsement on selected FMCG.
2. To find out the type of celebrity preferred and reasons for celebrity endorsement.
3. To understand the factors that customers think are important for celebrity endorsement .

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Limitation of the study

1. The study covers only selected FMCG products.
2. Due to time and cost constraint the researcher is unable to cover more respondents.
3. The study is limited to only Meerut city.
4. The study covers only consumer opinion.

Aim of the study

The aim of the study is to know whether celebrity endorsement is effective for fast moving consumer goods or not, as celebrities are known personalities mostly for everyone.

Research Methodology

Coverage of the study

The study is focused on the effectiveness of the celebrity endorsement on selected FMCG .The products chosen for the market survey are Deodorant, Toothpaste, Shampoo, Hair oil. These products come under the category of personal care products.

Sample size

The present study has a sample size of 50 respondents on the basis of convenience sampling in Meerut city.

Data Collection

The study has both primary and secondary data. The primary data is collected through well structured questionnaire comprises of questions related to both, the respondents and effectiveness of celebrity endorsement.

The secondary data is collected from journals, articles, research papers and websites.

Statistical Tool

The data so collected is analyzed using Percentage method.

Data Analysis and Discussion

Table1. Gender details of the Respondents

Gender	Respondents	Percentage
Male	25	50
Female	25	50
TOTAL	50	100

(Source-Primary data)

The above table shows that 50% of the respondents are male and 50% are female.

Table2. Age details of the Respondents

Age	Respondents	Percentage
Below 18 years	11	22
18- 25 years	17	34
25-40 years	14	28
41-60 years	8	16
Total	50	100

(Source-Primary data)

The above table shows that 22% of the respondents are below 18 years, 34% of the respondents are of 18 to 25 years, 28% of the respondents are of 25 to 40 years, and 16% of the respondents are of 41 to 60 years.

Table3.Education level of the Respondents

Education	Respondents	Percentage
High school	7	14
Intermediate	11	22
Under Graduate	22	44
Post Graduate and above	10	20
Total	50	100

(Source-Primary data)

The above table shows that 14% of the respondents are high school, 22% of the respondents are intermediate, 44% of the respondents are under graduate, and 20% of the respondents are post graduate.

Table4.The Income Details of the Respondents

Income	Respondents	Percentage
Less than 10000 Rs.	15	30
10001- 20000 Rs	18	36
20001- 30001 Rs	17	34
TOTAL	50	100

(Source-Primary data)

The above table shows that 30% of the respondents earn less than 10000, 36% of the respondents earn 10001-20000, 34% of the respondents earn 20001-30001.

Table5. Occupation Details of the Respondents

Occupation	Respondents	Percentage
Service	9	18
Business	8	16
Student	13	26
Housewife	20	40
Total	50	100

(Source-Primary data)

The above table shows that 18% of the respondents are from service class, 16% of the respondents are from business class, 26% of the respondents are students and 40% of the respondents are housewife.

Table6. Awareness about Celebrity Endorsement

Awareness	Respondents	Percentage
Fully aware about celebrity endorsement	42	84
Not fully aware about celebrity endorsement	8	16
Total	50	100

(Source-Primary data)

The above table shows that 84% of the respondents are fully aware about celebrity endorsement, 16% of the respondents are not fully aware about celebrity endorsement.

Table7. Which type of endorsement of FMCG products is liked by Respondents

Endorsement	Respondents	Percentage
Celebrity	36	72
Non- celebrity	14	28
Total	50	100

(Source-Primary data)

The above table shows that 72% of the respondents like celebrity endorsement, 28% of the respondents like non celebrity endorsement.

Table8. Does Celebrity Endorsement increase FMCG product attraction?

Options	Respondents	Percentage
Always	34	68
Sometimes	8	16
No	7	14
Can't say	1	2
TOTAL	50	100

(Source-Primary data)

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The above table shows that 68% of the respondents said always, 16% of the respondents said sometimes, 14% said No, and only 2% said can't say.

Table9. Can Celebrity Endorsement increase FMCG product sell?

Options	Respondents	Percentage
Always	36	72
Sometimes	7	14
No	5	10
Can't say	2	4
TOTAL	50	100

(Source-Primary data)

The above table shows that 72% of the respondents said always, 14% of the respondents said sometimes, 10% said No, and 4% said can't say.

Table10. Does information provided in advertisement

Which has endorsed by celebrity is trustworthy?

Options	Respondents	Percentage
Always	30	60
Sometimes	6	12
No	12	24
Can't say	2	4
TOTAL	50	100

(Source-Primary data)

The above table shows that 60% of the respondents said always, 12% of the respondents said sometimes, 24% said No, and 4% said can't say.

Table11. Which Factor affect more while purchasing FMCG Products?

Options	Respondents	Percentage
Price	12	24
Packaging	8	16
Brand Name	10	20
Celebrity endorsement	20	40
TOTAL	50	100

(Source-Primary data)

The above table shows that 24% of the respondents said Price, 16% of the respondents said Packaging, 20% said Brand Name, and 40% said celebrity Endorsement.

Table12.Do you feel satisfied when a FMCG product is endorsement by the celebrity?

Options	Respondents	Percentage
Satisfied	35	70
Not Sure	8	16
Dissatisfied	7	14
TOTAL	50	100

(Source-Primary data)

The above table shows that 70% of the respondents are satisfied, 16% of the respondents said not sure, 14% said dissatisfied.

Findings

1. It is found that study has equal percentage of male and female respondents, out of which 22% are below the age of 18 years, 34% are 18 to 25 years old, 28% are 25 to 40 years of age and 16% are of 41 to 60 years old. As it can be said that respondents are mainly of young age. It is found that 36% of the respondents are high school and above and 64% respondent are

graduate and above, so it can be said by the present study that there is positive response of consumers towards celebrity endorsement.

2. It is found that study consist of respondents from middle class income group, income up to 30000 Rs. This group has major expenditure on FMCG products.
3. It is found that 18% respondents are from service class,16% from business class, 26% students and 40% housewife, out of these respondents 82% are fully aware of celebrity endorsement and 16% are not aware of celebrity endorsement.
4. It is found that 72% of the respondents like celebrity endorsement for FMCG products advertisement and 28% like non celebrity.
5. It is found that according to 68% respondent celebrity endorsement always increase FMCG product attractiveness, 16% said sometimes ,14% said no and 2% said can't say anything.
6. It is found that according to 72% respondents celebrity endorsement always increase FMCG product sell, 14% said sometimes ,10% said celebrity endorsement has no impact on FMCG sell and 4% has no views.
7. It is found that according to 60% respondents information provided in advertisement, endorsed by celebrity are always trustworthy, 12% said sometimes, 24% said information is not trustworthy and 4% respondents can't say anything.
8. It is found that celebrity endorsement affects 40% respondent while purchasing FMCG product, Price affected 24% respondents, packaging affected 16% and brand name affected 20% respondents.
9. It is found that 70% respondents feel satisfied with celebrity endorsement, 14% respondents feel dissatisfied and 16% respondents are not sure.

Conclusion

From the above study it can be concluded that Celebrity Endorsement has positive impact on the sell of selected FMCG. It is a vital and effective tool used by manufacturers to increase and promote the sell. Celebrity creates awareness and attraction towards advertisement as respondents have great influence of celebrities. Most of the respondents purchase these FMCG products as they are endorsed by celebrity. For the effectiveness of endorsement it is necessary that celebrity must be respected and well known to consumers, so that they trust the information provided by the celebrities in the advertisement. So it can be said by the present study that there is The present study is limited to sample size of 50 respondents in Meerut city. Only four FMCG products deodorant, shampoo, hair oil, and toothpaste were considered for survey. So it can be said that with more respondents and FMCG products findings may vary.

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