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Effectiveness of Celebrity Advertisement on Select FMCG –

An Empirical Study

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Abstract

The practice of celebrity endorsements has proliferated over time. In the past decade celebrity advertisement has been the most prevalent and successful form of advertising. Reason for this is that celebrities are considered to demonstrate a number of dynamic personality. Now days it has become a pervasive element of advertising industry especially in India. The present research begins with the review of existing literature available on effectiveness of celebrity endorsements which provides an insight into the research topic. The data is collected through a questionnaire a quantitative method is used for this research to investigate the opinion of the consumer towards celebrity advertisements on selected fast moving consumer products. The data is collected through a questionnaire method with a sample size of 500 consumers and analyzed with statistical tools such as percentage analysis and parametric T test. Finally, the results of the study prove that celebrity advertisements have a positive effect on the consumers of FMCG. The aim throughout this study is to present the relevant academic theory determining the effectiveness of celebrity advertisement on selected FMCG.

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1. Introduction

Celebrities are people who enjoy public recognition by a large share of a certain group of people whereas attributes like attractiveness, extraordinary lifestyle or special skills are just examples and specific common characteristics cannot be observed, it can be said that within a corresponding social group, celebrities generally differ from the social norm and enjoy a high degree of public awareness.

2. Importance of celebrity advertisement

A celebrity is also chosen based on his/ her credibility. Highly credible endorsers are expected to produce more positive attitude changes towards the position advocated and to induce more behavioural changes than less credible sources.

The general belief among advertisers is that brand communication messages delivered by celebrities and famous personalities generate a higher appeal, attention and recall than those executed by non-celebrities. The quick message-reach and impact are all too essential in today's highly competitive environment. As a result, marketing communication tools have become the means to retain and increase market share but the cost involved is very high. **Freiden (1984)** analysed the three factors as first, the fees for celebrity talent can be substantial. Secondly, the costs for national advertising, especially on television, are extremely high. And finally, the type of spokesperson affects the levels of awareness and recall.

3. Need for celebrity advertisement on fmcg

Fast moving consumer goods (FMCG) are popularly named as consumer packaged goods. In this study the researcher took four FMCG's shampoo, tooth paste, soap, and hair oil. Items in this category are all consumables people buy at regular intervals and meant for daily or frequent consumption and have a high rate of return. **Vaishnani Haresh.B(2011)** in her thesis emphasized a major portion of the monthly budget of each household is reserved for FMCG's. The volume of products circulated in the economy against FMCG products is very high, as the number of products the consumer uses, is comparatively very high. Competition in FMCG sector is very high resulting in high pressure on margins. So there is a compulsion among advertisers to endorse their products with help of celebrity and make the consumers to remember their products and make them to buy and thereby creating a impact in the minds of the consumers.

4. Purpose of the study

The role of the celebrity is not only being attractive or credible but also the celebrity has to make up certain meanings the consumer finds compelling and useful **McCracken (1989)**. Consumers perceive the product 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 product. Corporate credibility along with endorser credibility plays a significant role in the attitude of the consumer towards the product and the advertisement respectively.

5. Statement of the research problem

The study is related to only four products namely, Shampoo, Toothpaste, Soap, and Hair oil. These different FMCG's possess different attributes based on their utility. These four products are taken for study based on the category of personal care products. The researcher has found these products to match with her study as they are widely used by customers.

Therefore it is a key topic to study "impact of celebrity advertisement on select FMCG – an empirical study".

6. Objectives of the study

- To ascertain the effectiveness of celebrity advertisement on selected FMCG.
- To offer suggestions and recommendations to the advertisers for the effective celebrity advertisements.

7. Hypothesis

There is no influence on effectiveness of celebrity advertisement on selected FMCG's.

8. Limitations of the Study

- Due to time constraint the researcher is unable to cover more respondents.
- The study covers only consumer opinion but not the manufacturer and celebrity views.
- The information provided by the respondents is the personal opinion of the users and do not have any chances for bias.
- The study covers only above mentioned personal care products.

9. Research methodology

9.1. Pilot study

A pilot study was conducted by collecting 50 respondents from different groups of consumers. Cronbach Alpha method is applied to all the statements of product attributes to test the effectiveness of celebrity advertisement. The result of the test indicates that 85.3% which is highly reliable and validates the data.

9.2. Sample size

The Sample selected for the study cover different areas of Chennai city of Tamil Nadu state. Totally, 500 consumers of fast moving consumer goods were selected on disproportionate random sampling method.

9.3. Questionnaire design

The primary data is collected through questionnaire method. The respondents are asked to give their opinion relating to the effectiveness of celebrity endorsed advertisement on selected product. The first part of the questionnaire comprises of demographic variables with optional questions and second part comprises factors related to effectiveness of celebrity advertisement on FMCG.

9.4. Scaling technique in the questionnaire

The questionnaire comprises of both optional type and statements related to the impact of celebrity advertisement on selected FMCG'S in ranking scale.

Not at all important-1	Slightly important-2	Moderately important-3
Very important-4	Extremely important-5	

9.5. Secondary data

The Secondary data is collected from Journals, Magazines, Publications, Reports, Books, Dailies, Periodicals, Articles, Research Papers, Websites, Company Publications, Manuals and Booklets. The extent of secondary data available provides the base for a strong literature review and secondary research analysis.

10. Review of literature

Kamins (1989) stated that advertisements with celebrity spokespersons performed significantly better on measures of advertisement and brand attitude. The research suggested that celebrity endorsement is an effective advertising strategy that can positively affect consumer responses better than non-celebrity spokesperson advertising.

Kaikati (1987) stated that the use of celebrity advertisement is not a new phenomenon Celebrity endorsement, as a marketing practice, has a very distinguished history. In the eighteenth century, a famous potter Josiah Wedgwood pioneered in using celebrities to his advantage

Mowen and Brown (1981) opine that if a celebrity lends his image to various brands by appearing in advertisements it also has less impact on the consumers mind and the message being delivered since the relationship between the celebrity and the endorsed brand is not distinctive.

Priester and Petty (2003) studied the goal of advertising is to present information to potential customers. The information will result in customers adopting more favorable attitudes towards the advertised product.

Prashant Mishra et al, (1996) stated in their paper consumers perceived that the information received from WOM sources is reliable and advantageous in making the purchase decisions.

Amy Dyson and Douglas Turco (1998) stated that many companies have had considerable success using celebrities as spokespersons, especially athletes. The research has concluded that customers are more likely to choose goods and services endorsed by celebrities than those without such endorsements.

De Pelsmacker, (2004) found that Potential advantages of utilising celebrity endorsers are that it can increase attention, polish the image of the brand, especially when a brand will be introduced in the market or a repositioning of a brand will take place.

11. Data analysis for the study

- The percentage analysis is used to establish the demographic details of consumers in the study.
- The parametric one-sample t-test is brought to bear in identifying the importance of product attributes with respect to consumer behavior

Table 1.1 showing the frequency distribution of education

Educational qualification	Frequency	Cumulative Percent
SSLC	17	3.4
+2	24	8.2
UG	237	55.6
PG	179	91.4
Prof	43	100.0
Total	500	

Source: primary data

From the above table it is found that 47.4% of respondents are Undergraduate followed by 35.8% of post graduates and 8.6% of professionals. It is also found that 3.4% and 4.8% of consumers of FMCG possess SSLC and +2 qualification.

Table 1.2 showing the frequency distribution of gender

Gender	Frequency	Cumulative Percent
Male	249	49.8
Female	251	100.0
Total	500	

Source: primary data

From the table it is found that 50.2 % of female consumers and 49.8% of male consumers belong to the group of consumer.

Table 1.3 showing the frequency distribution of age

Age	Frequency	Cumulative Percent
21-30	350	70.0
31-40	108	91.6
41-50	37	99.0
51-60	5	100.0
Total	500	

Source: primary data

The above table shows that 70.0% of respondents are in the age group of 21-30, 21.6% of respondents are 31-40 followed by 7.4% of respondents belonging to 41-50 and 1.0% of respondents in the age group of 51-60.

Table 1.4 showing the frequency distribution of occupation

Occupation	Frequency	Cumulative Percent
Pvt sector	211	42.2
Public sector	64	55.0
Government	54	65.8
Own business	58	77.4
others	113	100.0
Total	500	

Source: primary data

From the table it is observed that 42.2% of respondents belong to private sector, 22.6% of respondents belong to other category who is not employed and 12.8% of respondents belong to public sector followed by 11.6% of respondents running their own business and 10.8% serving as government employees.

Table1.5 showing the frequency distribution of region

Region	Frequency	Valid Percent	Cumulative Percent
North	111	22.2	22.2
South	342	68.4	90.6
West	22	4.4	95.0
East	25	5.0	100.0
Total	500	100.0	

Source: primary data

From the table it is found that 68.4% of consumers belong to south followed by 22.2% of north and 5.0% belonging to east region and 4.4% of consumers belonging to west region.

The personal care products selected for the study is obtained from the consumer's point of view through the research instrument in ranking scale and the data's are analyzed through parametric T-test.

Table 2.1 Parametric t-test for shampoo

factors	N	Mean	Std. Deviation	Std. Error Mean
Fragrance	500	2.5160	1.07706	0.04817
Celebrity's convincing advertisement	500	3.2100	1.09375	0.04891
Favourite celebrity endorsing their product	500	3.4040	1.09690	0.04905
Stops hair fallen	500	3.0660	1.05445	0.04716
Prevents dandruff	500	3.2240	1.21358	0.05427

Source: computed data

From the table it is found that the mean value ranges from 2.51 to 3.40, standard deviation ranges from 1.05 to 1.21 and the standard error of mean varies from 0.0471 to 0.5427. This implies a T-test value can be computed with the middle hypothesized value 3. The following t-test values are obtained for product shampoo.

Table 2.1.2 T-test values for shampoo

Attributes of shampoo	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
	Lower	Upper	Lower	Upper	Lower	Upper
Fragrance	-10.048	499	0.000	-0.48400	-0.5786	-0.3894
Celebrity’s convincing advertisement	4.293	499	0.000	0.21000	0.1139	0.3061
Favourite celebrity endorsing their product	8.236	499	0.000	0.40400	0.3076	0.5004
Stops hair fallen	1.400	499	0.162	0.06600	-0.0266	0.1586
Prevents dandruff	4.127	499	0.000	0.22400	0.1174	0.3306

Source: computed data

From the above table it is found that the T-values, -10.048, 4.293, 8.236, and 4.127 are statistically significant at 5%. This implies that consumers give a slightly important to fragrance of shampoo and give moderately important to stops hair fallen and give extremely important to favourite celebrity endorsing their product and very important for celebrity’s convincing advertisement and prevents dandruff.

Table 2.2 Parametric t-test for tooth paste

factors	N	Mean	Std. Deviation	Std. Error Mean
Mouth freshener	500	2.8520	1.25589	0.05616
Truth in the testimonials given by the endorsement	500	3.2120	1.01445	0.04537
celebrity endorsed advertisement captures attention	500	3.3640	1.08344	0.04845
Prevent tooth decay	500	3.1660	1.08110	0.04835
Germ protection	500	3.2040	1.19886	0.05361

Source: computed data

The above table shows that the mean value ranges from 2.85 to 3.36, standard deviation ranges from 1.01 to 1.25 and the standard error of mean varies from 0.453 to 0.0561. This implies that a T-test value can be

computed with the middle hypothesized value 3 and the following t-test values were obtained for tooth paste.

Table 2.1.2 T-test values for tooth paste

factors	Test Value = 3					
	T	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
	Lower	Upper	Lower	Upper	Lower	Upper
Mouth freshener	-2.635	499	0.009	-.14800	-0.2583	-0.0377
Truth in the testimonials given by the endorsement	4.673	499	0.000	0.21200	0.1229	0.3011
celebrity endorsed advertisement captures attention	7.512	499	0.000	0.36400	0.2688	0.4592
Prevent tooth decay	3.433	499	0.001	0.16600	0.0710	0.2610
Germ protection	3.805	499	0.000	0.20400	0.0987	0.3093

Source: computed data

From the above table it is found that the T-values -2.635, 4.673, 7.512, 3.433, and 3.805 are statistically significant at 5%. This implies that consumers give extremely important for celebrity endorsed advertisement because it captures attention and give very important to truth in the testimonials and prevent tooth decay and moderately important to germ protection and shows slightly important to mouth freshener.

Table 2.3 Parametric t-test for soap

Factors	N	Mean	Std. Deviation	Std. Error Mean
Maintains moisture	500	2.8900	1.11192	0.04973
Celebrity Advertisements creates awareness about the product	500	3.1160	1.04725	0.04683
Oil balance	500	2.9700	1.08233	0.04840
Fragrance	500	3.0280	1.10165	0.04927
Celebrity endorsement carries words of promise	500	3.1980	1.08127	0.04836

Source: computed data

The above table shows that the mean value ranges from 2.89 to 3.19, standard deviation ranges from 1.047 to 1.111 and the standard error of mean varies from 0.0468 to 0.0497. This implies a T-test value can be computed with the middle hypothesized value 3. The following t-test values were obtained for the attributes of soap.

Table 2.1.3 T-test values for soap

factors	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
	Lower	Upper	Lower	Upper	Lower	Upper
Maintains moisture	-2.212	499	0.027	-0.11000	-0.2077	-0.0123
Celebrity Advertisement creates awareness about the product	2.477	499	0.014	0.11600	0.0240	0.2080
Oil balance	-0.620	499	0.536	-0.03000	-0.1251	0.0651
Fragrance	0.568	499	0.570	0.02800	-0.0688	0.1248
Celebrity endorsement carries words of promise	4.095	499	0.000	0.19800	0.1030	0.2930

Source: computed data

From the above table it is found that the T-values, -2.212, 2.477, 4.095 are statistically significant at 5%. This implies that consumers give a slightly important, to maintains moisture and oil balance and very important to celebrity endorsement carries words of promise and celebrity advertisements creates awareness about the product and moderately important to fragrance of the soap.

Table 2.4 Parametric t-test for hair oil

Factors	N	Mean	Std. Deviation	Std. Error Mean
Non sticky	500	2.8120	1.25531	0.05614
Celebrity based advertisements carry more Weightage	500	3.2140	1.06135	0.04746
Celebrity endorsed FMCG product enhances quality assurance.	500	3.4260	1.05961	0.04739
Prevents dandruff	500	3.0680	1.09808	0.04911
Silk & shine	500	2.8540	1.24732	0.05578

Source: computed data

From the above table it is found that the mean value ranges from 2.81 to 3.42, standard deviation ranges from 1.059 to 1.255 and the standard error of mean varies from 0.0473 to 0.0561. This implies a T-test value can be computed with the middle hypothesized value 3. The following t-test values are arrived for hair oil.

Table 2.1.4 T-test values for hair oil

FACTORS	Test Value = 3					
	T	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
	Lower	Upper	Lower	Upper	Lower	Upper
Non sticky	-3.349	499	0.001	-0.18800	-0.2983	-0.0777
Celebrity based advertisements carry more Weightage	4.509	499	0.000	0.21400	0.1207	0.3073
Celebrity endorsed FMCG product enhances quality assurance.	8.990	499	0.000	0.42600	0.3329	0.5191
Prevents dandruff	1.385	499	0.167	0.06800	-0.0285	0.1645
Silk & shine	-2.617	499	0.009	-0.14600	-0.2556	-0.0364

Source: computed data

From the above table it is found that the T-values, -3.349, 4.509, 8.990, and 2.617 are statistically significant at 5%. This implies that consumers give a slightly important to non sticky and silky & shine hair and extremely important to celebrity endorsements enhances product quality and very important for celebrity advertisement carries more weightage and they shows moderate important to prevent dandruff.

12. Hypothesis:

From the analyses it is revealed that there is an influence on celebrity advertisement on FMCG's.

13. Findings

- It is found that 47.4% of respondents are Undergraduate followed by 35.8% of post graduates and 8.6% of professionals. It is also found that 3.4% and 4.8% of consumers of FMCG possess SSLC and +2 qualification.

- It is found that 50.2 % of female consumers and 49.8% of male consumers belong to the group of consumer
- It is found that 70.0% of respondents are in the age group of 21-30, 21.6% of respondents are 31-40 followed by 7.4% of respondents belonging to 41-50 and 1.0% of respondents in the age group of 51-60.
- It is observed that 42.2% of respondents belong to private sector, 22.6% of respondents belong to other category who is not employed and 12.8% of respondents belong to public sector followed by 11.6% of respondents running their own business and 10.8% serving as government employees.
- It is found that 68.4% of consumers belong to south followed by 22.2% of north and 5.0% belonging to east region and 4.4% of consumers belonging to west region.
- It is found that the consumers give very important for celebrity's convincing advertisement and prevents dandruff for shampoo.
- The consumers give extremely important for celebrity endorsed advertisement because it captures attention and give very important to celebrity's truth in the testimonials and prevent tooth decay.
- The consumer shows very important to celebrity endorsement carries words of promise and celebrity advertisements creates awareness about the product and moderately important to fragrance of the soap.
- The consumers give a slightly important to non sticky and silky & shine hair and extremely important to celebrity endorsements enhances product quality and very important for celebrity advertisement carries more weightage.

14. Suggestions

From the present study it gives more light towards recommendations and suggestions regarding the advertisers.

- Endorsements will be more effective when using a celebrity who is not already strongly associated with another product or service.
- Celebrity endorsements will be more effective when the ad execution is simple, clean and free of irrelevant design elements. Focus on the celebrity and the product together.
- To make the advertisement more effective, advertisers should focus more on features of products because if the celebrity is dominant in endorsements, then it will overshadow the product.

15. Conclusion

From the study it can be concluded that celebrity advertisement really creates an impact on the fast moving consumer goods related to shampoo, soap, hair oil, and tooth paste. The consumer's shows positive impact towards these products. That can be analyzed with the help of the above mentioned tools. Compare to the

ordinary person definitely celebrity advertisements have a significant effect towards FMCG's. An advertisement needs to first attract attention and evoke interest in the prospective customer, leading towards an affinity for the brand and eventual purchase. A well established celebrity with an positive image which is in harmony with a product being advertised.

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