



## CELEBRITY ENDORSEMENT AND PURCHASE INTENTION: A CASE STUDY ON SUBURBAN CITIES OF KARNATAKA

Dr. Anitha H S\* Narendra K\*\*

\*Professor in Commerce, Davangere University, Davangere, Karnataka.

\*\* Research Scholar, Bharathiar University.

### Abstract

The use of celebrities in brand endorsements has been a widespread strategy in advertising. Across the globe, companies are spending a large amount of their marketing communication budget. After the review of literature on celebrity endorsements a gap was identified which questioned “whether the consumers of FMCG products at sub-urban cities are influenced by Celebrity endorsement?” to answer the question a research was carried on with the help of questionnaire at five suburban cities of Karnataka state, as a result it was identified that There was no correlation between Intention to purchase and the endorsement by the celebrity. However respondents agree to the statements of having advertisements for introduction of products to the sub-urban market.

**Keywords:** *Celebrity Endorsement, Purchase Intention, FMCG, Brand.*

### Introduction

The promotion industry in India has recorded phenomenal growth in last two decades and evolved into a full-fledged industry with a turnover of in over Rs.62, 400 Crore in 2018. Organizations are spending huge money on the celebrity endorsement and it has proliferated into a multi-million industries in India. Organizations believe that the use of celebrity endorsers can significantly impact the consumers’ behaviours and their perception towards the product/services. This investigation on to what extent does the celebrity endorsement can influence the purchase intention.

The research is to explore the effect of celebrity endorsement on the purchase intention of suburban consumers towards selected FMCG products. The research study begins with an extensive review of the existing literature on celebrity endorsements, brand image, attitude towards advertisement and purchase intention.

The research used a descriptive research method in which survey instrument to collect quantitative responses from the sample of respondents consisting of consumers of FMCG products. The research used Multi-Stage sampling procedure in which a conveniently drawn sample of 200 respondents was selected from five subs urban Cities Mysore, Davangere, Ramanagara, Belgaum and Kolar of Karnataka

The survey instrument included items to gauge the demographic and general information about the respondents. The extent of purchase and amount spend on the purchase of FMCG was also explored. A total of 200samplesarechosen in the study. The study included variables namely effect of celebrity endorser on the customers purchase intention. Celebrity endorsement was selected as the predictor variable; purchase intention was used as the dependent variable.

### Literature Review

Abhay Desai(2018)The research Reflects : The personality of the brand gets reinforced or stands out vividly because of Celebrity’s personality .Viewership goes up significantly whenever a celebrity endorses a brand . Consumer’s perception is that celebrities must have or might have used or consumed the brand and therefore they like and trust the brand. It becomes easy to make product familiar by using celebrity endorsement If a celebrity is incredibly popular among masses and he/she has larger than life image, then he/she is going to command huge premium when he/she gets roped in to endorse a brand. Sales promotion methods can bring in immediate sales, but advertising always takes longer time to have impact on sales. Hence it is advised for mid-cap companies or even large companies who do not have deep pockets to keep away from the temptation of celebrity endorsements. Multinational companies have huge reserves and deep pockets. They can afford to wait for a longer time to assess and ascertain the impact of celebrity endorsement brands.



Chih-Huang Lin and Li-Hui Zhang (2018) The experimental result indicated that personality congruity and incongruity were observed to have influence on evaluations toward the endorsement, while brand preference has direct impact on brand-related evaluations. Moreover, there was no interaction between brand preference and personality congruity. Attitude towards the brand and Purchase intention were measured as dependent variables. This study used the real fashion brand and celebrities as experimental stimulus based personality salience. This study extended the product/endorser Match-up hypothesis from attractiveness and expertise aspects to a more intrinsic personality traits matching prospect.

Alagra Antony and Dr. V.Bastin Jerome (2019) the study states that the brand ambassadors have influence on the product. Customers are attracted to those products which are endorsed by their favourite celebrity. So companies can increase their sales and revenue by appointing a proper brand ambassador. A customer's purchasing decision is based on several factors, and in present scenario there are peoples who gave main importance to the brand ambassador who endorse the product. The customers have a belief that celebrities will endorse those products which have good quality.

Tyara Citra, Magda Harahap(2019)In the study, it has been understood that to create a successful IMC(Integrated Marketing Communication )program all components of a marketing communications campaign must feed into and reinforce one another, and communicate to consumers the same consistent-message. It is related to the creation of brand image in terms of choosing celebrity endorser to represent a brand, there are many factors to be considered in order to decide whether the star fits the brand or not, such as consumer's belief in the credibility of celebrity ability to endorse the brand, the strength of liking for the celebrity and consumers own perceptions of how the brand may enhance their own self-image. This leads to customer's brand loyalty which can be measured from customer satisfaction towards the brand, brand trust, brand relevance as well as brand performance specifically for an FMCG brand. Loyal customers are more likely to make positive recommendations about the brand that would have the substantial impact on the buying decision process of other consumers.

Ratiu Rani & Lalit Singh (2017) examined the effect of celebrity endorsements on consumer purchase intention and consumer perception in FMCG sector of India. To do the same impact on purchase intention was used with three attributes: likelihood, willingness, and probability of buying a product. To determine consumer perception, the attributes considered were - informative, useful, favourable, positive and good. The results represented that consumer perception towards attributes of Purchase Intention (PI) and perception varies significantly with respect to occupation but not with respect to gender. Housewife's had the greatest impact of celebrity endorsement as compared to other professionals. On the other celebrity endorsement had the greatest impact on the perception of self-employed people.

Aradhana Pokharel and Binita Pradhan(2017)explores the influence of celebrity endorsement on consumers' buying behavior of Fast Moving Consumer Goods (FMCG). It aims to analyze the influence of celebrities' attributes (attractiveness, expertise, trustworthiness, popularity) on the buying behavior of people living in Kathmandu valley. The results of descriptive analysis reveal that celebrity endorsement does have positive impact on buying behavior of majority of people. It has also been identified from the study that respondents ranked brand as the most dominant factor influencing their buying behavior whereas they ranked celebrity endorsement as forth priority.

Tanuja Kaushik and Rashi Baliyan (2017) studied that the celebrity endorser is extensive; nevertheless, there is limited study on consumer perception of celebrity versus non-celebrity advertisement on social media for the products that come under FMCG. The paper reviles that 1. Customer's generally prefers to buy products endorsed by celebrity because they can recall that product easily while shopping and they trust the brand more. But, in case of non-celebrity endorsement they will be attracted to the product if the advertisement has touched the emotional sentiments 2. The demographic factors like age, income and gender greatly impact the influence of customer to make a choice between the product endorsed by celebrity and endorsed by non celebrity. In case of celebrity endorsement, celebrity's credibility and attractiveness influences more to a customer to go for buying an FMCG



product. However, the expertise, believability and knowledge about the product are more influential in case of non-celebrity endorsed product

Dr. Garima Malik(2014)discusses the impact of advertisement on various soaps and its effectiveness on consumer. It throws light on the various factors which help in changing the perception of customers towards a particular brand. These include factors such as unique features, care about customers, innovation, variety, price, and loyalty. The paper also helps in determining that parameter which plays the most crucial role at the time of purchase decision. A regression model has been used to study the impact of advertisement on effectiveness. Advertisement being the independent variable whereas effectiveness being the dependent one. The paper has also brought forth various unforeseen factors under the limelight. Such as increasing hygiene factor amongst people when it comes to selection of soap and the role of external environment on consumers purchase decision.

### Objectives

The primary objective of the paper is to examine the effect of celebrity endorsement on purchase intention of the consumers. Therefore, the following objectives are stated for the study.

1. To understand how the impact of celebrity endorsement in suburban cities.
2. To identify the factors those motivates and affect the purchase attitude of consumers.

### Hypothesis

The stated objectives are studied by testing the following hypothesis:

**H1:** Celebrity endorsed advertisements do not significantly impact on sub-urban buyers purchase intent.

### Research Design

#### The Sample

The study basically depends on the primary data. The primary data is collected by using the survey instruments. The survey instrument is constructed by using the review of previous literature. The survey instruments are distributed to the consumers to capture their attitude towards celebrity endorsement and their buying intention. The instruments are distributed to the 250 samples and the missing values and incomplete responses instruments are discarded from the study, hence, the final sample size of 200 is considered.

At the initial levels the suburban areas are chosen of Karnataka are chosen, and in the next level five suburban areas are selected based on the principle of simple random sample. The suburban areas of the study are Mysore, Belgaum, Davangere, Ramanagara and Kolar. The samples within the suburban areas are selected by using simple random techniques. Hence, the study relies on the simple random sample technique. The sample observations selected for the survey are the consumer who visits shopping mall and stores.

**Time Period:** The data from the stated suburban area is collected on November and December 2018 in the stated geographical area.

**Nature of the Data:** The nature of the data is primary data and it is cross sectional data. The data on various items of the questionnaire are collected at a given point in time.

**Instrument:** The study is based on the survey instrument. The questionnaire of the present study is based on the previous studies related to the celebrity endorsement; however, the modification has done as per the requirement of the current work. The reliability and validity of the instrument is verified with pilot study, Cronbach alpha, discriminate validity and convergent validity. Since the entire questionnaire instrument is not used in the present study, these values are not represented.

**Demographical Profile:** The demographical profile of the sample observations is represented in Table 1, Table 2, Table 3 and Table 4. The demographical profile of the samples in terms of their age, gender, marital status and education qualifications are considered as major aspects, since these demographical variables are considered as prime influencing factors of purchase intention of the consumers.



**Table 1: Age**

In Years	Frequency	Percent
16 - 20	16	8.0
21 - 25	20	10.0
26 - 30	23	11.5
31 - 35	25	12.5
36 -40	21	10.5
41 - 45	28	14.0
46 - 50	17	8.5
51 - 60	26	13.0
> 60	24	12.0
<b>Total</b>	<b>200</b>	<b>100.0</b>

Out of 200 samples, 14% of the samples are belongs to the age group of 41 – 45 and % of the samples are belong to the age group of 16 – 20. Majority samples are between the 21 – 60. Though the samples of age group of more than 60 are considered, however, the impact on them is negligible.

**Table 2: Gender**

	Frequency	Percent
Male	92	46.0
Female	108	54.0
<b>Total</b>	<b>200</b>	<b>100.0</b>

Table 2 represents the gender profile of the respondents. 54% and 46% of the respondents are female and male respectively.

**Table 3: Marital Status**

	Frequency	Percent
Married	94	47.0
Unmarried	106	53.0
<b>Total</b>	<b>200</b>	<b>100.0</b>

Table 3 represents the marital status of the respondents. 53% and 47% of the respondents are unmarried and married respectively.

**Table 4: Education Qualification**

	Frequency	Percent
Matriculation	37	18.5
Pre-University	40	20.0
Graduation	44	22.0
Master Degree	41	20.5
Others	38	19.0
<b>Total</b>	<b>200</b>	<b>100.0</b>

Table 4 represents the education qualification of the respondents. 22% of the respondents are with graduation and 18.5% of the respondents are with matriculation.



**Table 5: Sub Urban**

	Frequency	Percent
Mysore	50	25.0
Belgaum	33	16.5
Davangere	46	23.0
Ramanagara	35	17.5
Kolar	36	18.0
<b>Total</b>	<b>200</b>	<b>100.0</b>

Table 5 represents the suburban area and sample size from these suburban areas. 25% of the respondents belongs to Mysore and 16.5% of the respondents are belongs to Belgaum. The sample size varies between the range of 16.5% - 25%.

### Analysis and Results

There are 11 items are used to capture the construct of effect of celebrity endorsement on consumers. These items are 1 – 5 Likert scale and 1 with strongly disagree to 5 with strongly agree. The average score of all these 11 items are used as score of effect on customers. Similarly, 5 items are used to capture the consumer’s intention to purchase. These items are also 1 – 5 Likert scale and 1 with strongly disagree to 5 with strongly agree. The average score of all these 5 items are used as score of intention to purchase. Table 6 of descriptive statistics reveals that the average value of score of effect on customers and intention to purchase are more than 3; therefore, the consumers are agreeing with statement made in the instruments.

**Table 6: Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
Effect on customers	200	1.82	4.27	3.2386	.42994
Intention to purchase	200	1.00	4.80	3.2320	.67829

The average score of effect on customers is 3.2386 with standard deviation of 0.42994 and the average score of intention to purchase is 3.2320 with standard deviation of 0.67829. The mean score of both the constructs are almost similar to each other.

**Table 7: ANOVA**

		Sum of Squares	df	Mean Square	F	Sig.
Effect on customers	Between Groups	1.521	4	.380	2.102	.082
	Within Groups	35.263	195	.181		
	Total	36.784	199			
Intention to purchase	Between Groups	1.314	4	.328	.710	.586
	Within Groups	90.242	195	.463		
	Total	91.555	199			

Table 7 of ANOVA displays the significant difference in the score of effect of celebrity endorsement on consumers and consumers purchase intention in terms of suburban areas of Karnataka. Among all five suburban areas, the average value of effect of celebrity endorsement on consumers is differ significantly at 10% level of significance since the p value is less than 0.10 with 4, 195 degree of freedom. The average value of consumers purchase intention do not differ significantly at 10% level of significance since the p value is more than 0.10 with 4, 195 degree of freedom.



**Table 8: Correlations**

		Effect on customers	Intention to purchase
Effect on customers	Pearson Correlation	1	-.089
	Sig. (2-tailed)		.209
	N	200	200
Intention to purchase	Pearson Correlation	-.089	1
	Sig. (2-tailed)	.209	
	N	200	200

Table 8 of correlations reveals that the simple correlation between effect of celebrity endorsement and intention to purchase is negative and statically insignificant at 10%. Therefore, the hypothesis of celebrity endorsed advertisements do not significantly impact on sub-urban buyers purchase intent cannot be rejected. Hence it can be concluding that the celebrity endorsed advertisement do not have positive impact on the buyers purchase intention on FMCG suburban areas of Karnataka.

### Discussion

From the Demographic Data we were able analyse the respondents in between the age of 25 to 40, was the maximum age group, who were part of buying decision. Majority were the married female group which were part of buying FMCG products in Suburban cities of Karnataka. Eleven statements were made to test the effect of celebrity endorser on the customers. Where the statements contained aspects related to Advertisements using celebrity Icon, accepting the brand because of celebrity, celebrity's initiation an action to buy that product and also on the negative campaign on product because of celebrity's involvement in a scandal. Later five statements were made regarding intention to purchase FMCG Products which reviewed on FMCG product endorsed by my favorites celebrity, Importance of store rather than a celebrity endorsement, Customer knowledge about the FMCG products influences purchase and patronize those FMCG brand/ product.

### Conclusion

It was identified that each of the suburban cities had different buying behaviors when it comes to FMCG as products. There was no correlation between Intention to purchase and the endorsement by the celebrity. However respondents agree to the statements of having advertisements for introduction of products to the sub-urban market.

### Bibliography

1. Abirami U (2017), Anna University, Thesis of Doctor of Philosophy, An Empirical Study On The Effect Of Celebrity Endorsement On The Purchase Intention Of Consumers Towards Personal Care Products.
2. Ratiu Rani and Lalit Singh (2017), International Journal of Innovative Research and Advanced Studies (IJIRAS) Volume 4 Issue 7, July 2017, ISSN: 2394-4404, Effect of Celebrity Endorsement on Consumer Perception and Purchase Intention on FMCG Products.
3. Dr. Garima Malik(2014), GJBM, Vol. 8 No. 2, December 2014 ISSN: 0973-8533, Impact Of Soap Advertising And Its Effectiveness In Semi-Urban Area.
4. Aradhana Pokharel and Binita Pradhan(2017), Journal of Business and Social Sciences Research (JBSSR), Vol. 2, No. 1 & 2, pp. 1-14 JBSSR/AIM, 2017, ISSN: 2542-2812. Influence of Celebrity Endorsement on Consumers' Buying Behavior of Fast Moving Consumer Goods in Kathmandu.
5. Tanuja Kaushik And Rashi Baliyan(2017) Sona Global Management Review Vol 11, Issue 1, January - June 2017 A Study On Impact Of Celebrity and Non-Celebrity Endorsed FMCG Advertisement through online Advertising On The Consumer Purchase Behaviour.
6. Tyara Citra, Magda Harahap(2019)Journal of Communication Studies,vol.5no.1celebrity Endorsement In Social Media To Enhance Brand Image & Brand Loyalty.





7. Chih-Huang Lin and Li-Hui Zhang (2018) Asian Journal of Economics, Business and Accounting 9(3): 1-8, 2018; Article no.AJEBA.45125 ISSN: 2456-639X Match or is match? The Influence of Brand Celebrity Endorser Personality Congruity on Brand Evaluation: Fashion Brand as the Example.
8. Alagra Antony and Dr. V.Bastin Jerome (2019) IJELLH Volume 7, Issue 1, January 2019 A Study on Influence of Brand Ambassador on a Product.
9. Abhay Desai (2018) NOLEGEIN Journal of Advertising and Brand Management eISSN: 2581-530X Vol. 1: Issue 2, Merits and Demerits of Celebrity Endorsements.