EFFECT OF CELEBRITY ENDORSEMENT ON CONSUMERS: A STUDY OF SELECTED FMCG PRODUCTS

A

Thesis

Submitted for the Award of Ph.D. degree of UNIVERSITY OF KOTA

in the

Faculty of Commerce and Management

Doctor of Philosophy

by

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Under the supervision of

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Candidate's Declaration

I hereby certify that the work, which is being presented in the thesis, entitled "Effect of Celebrity Endorsement on Consumers: A Study of Selected FMCG Products" in partial fulfillment of the requirement for the award of the Degree of Doctor of Philosophy, carried under the supervision of Dr. Anukrati Sharma and submitted to the Department of Commerce and Management, University of Kota, Kota, represents my ideas in my own words and where others' ideas or words have been included. I have adequately cited and referenced the original sources. The work presented in this thesis has not been submitted elsewhere for the award of any other degree or diploma from any Institutions. I also declare that I have adhered to all principles of academic honesty and integrity and have not misrepresented or fabricated or falsified any idea/data/fact/source in my submission. I understand that any violation of the above will be cause for disciplinary action by the University and can also evoke penal action from the sources which have thus not been properly cited or from whom proper permission has not been taken when needed.

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- (a) Course work as per the University rules.
- (b) Residential requirements of the University (200 days).
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- (d) Presented his work in the Departmental Committee.
- (e) Published / accepted minimum of one research paper in a Referred Research Journal.

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Abstract

The world is moving fast; most of the companies are going global. To match with the speed of the growing competition today, it is important for the advertisers to focus more on their promotional strategies.

This thesis is closely related to marketing and promotional activities used by advertisers and manufacturers. The main objective of this thesis is to find how the advertisements done by celebrities affect the buyers and consumers. As we know, many celebrities play an important role in advertising. Selling of product and service is purely elastic and depends on celebrity image in consumer perception. Any positive or negative effect of celebrity may lead to dramatic changes in sales. The researcher has tried to find out buying behavior of consumer regarding FMCG products.

According to the researcher, advertisers focus on the formulation and implementation of the advertisements as per the requirements of the customers. While planning the advertisements the advertisers have to keep in the mind the mental status, education level etc. of the customers. Other than this the researcher strongly believes that the celebrities play a vital role in the promotion of the products in comparison to non – celebrity endorsed advertisements.

This thesis comprises six chapters:

The first chapter titled "Conceptual Framework of Advertising and Celebrity Endorsement", is based on advertising history, types of advertisement, ethics of advertising, celebrities and their selection. It also discusses celebrity and brand relationship. The second chapter "Effect of Celebrity Endorsement on Consumer Behavior With Special Reference to FMCG Products", explains the FMCG Sector, segment of FMCG products, FMCG companies, FMCG in India and other relevant information. And this chapter also describes consumer behavior. The third chapter of the thesis is "Review of Literature". Literature review is a text written by someone to consider the points of current knowledge including basic findings as well as theoretical and methodological contributions to a particular topic. "Research Methodology", is the fourth chapter of the thesis, describes

various methodological tools which have been used for collecting various data, tabulation and interpretation of data and testing hypothesis by proper tools. Research Methodology is the way in which researchers identify how they are going to receive again all useful data and information that companies will need to make important decisions. The fifth chapter is "Data Analysis and Interpretation". The results of the research have been presented objectively along with the analysis and discussion in this chapter. And the last sixth chapter titled "Findings and Suggestions", gives suggestive mechanism and some useful recommendation. This chapter also deals with a brief conclusion of the whole thesis. With the use of various methodological tools, the researcher tries to get knowledge about relationship between FMCG product and consumers behavior through role play of celebrity in advertisement.

And finally, this thesis concludes, Celebrity endorsement is a very powerful tool for product promotion and it creates an attraction for the product but ethical behavior is an important factor in product promotion. In FMCG sector, advertisements are only beneficial in the promotion of a new product. After a long period of time, the celebrity effect on the product starts diminishing and customers tend to pay more attention to the quality of the product. Overall advertisements and celebrity endorsements are always useful in promotion but somewhere this promotion tool is also the reason for the increase in the price of the product(s).

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<u>Chapter – One</u>

Conceptual Framework of Advertising and Celebrity Endorsement

Chapter - One

Conceptual Framework of Advertising and Celebrity Endorsement

1.1. Introduction of Marketing

'Marketing' is a very common word in this era. Marketing involves all processes regarding selling of products and services. It has been assumed that marketing is just about advertising or selling of products and services. In fact 'Marketing' word is quite beyond this. Marketing is a tool that makes sure manufacturers of products and services interpret consumer desires with match. The marketing process is a main point of the business performance of organizations (small and large) because it indicated the most important aspects of the market. Marketing is understanding the competitive marketplace, and connect consumers with the right product at the right price, place and time.

Marketing is a process of management responsible for anticipating, identifying and satisfying consumer/ customer requirements profitably.

According to Baker (2006), "Marketing is a mutually satisfying exchange relationships". Kotler et al., (2009), said that, "Marketing is everywhere, formally or informally, people and organizations involve in a vast number of activities that we can say marketing". Positive marketing has become progressively more vital ingredient for business success. Our daily routine is deeply affected by marketing. It is involved in everything we do from the clothes we wear, to the websites we click on and to the advertisements we see.

Kotler (2008), further explained that Marketing is a collective process by which individuals and groups obtain what they need and want through creating, offering and freely exchanging products and services of value with others.

Thus, it is said that marketing means the whole economic, managerial and social process by which human needs and wants are evolved in demand of products and services that satisfy customer needs, involving pricing, distribution, promotion,

publicity and after sale of services so as to improve the living standards and quality (Sharma and Saxena 2010).

In this era, Marketing is a process that directly or indirectly affects our lives. We are consumers, but many of us are part of marketing like wholesalers, salespersons, rivals, raw material suppliers and so on and so forth. In support of Kotler's views Rahnama & Beiki (2013), the word 'Marketing' is defined as activities that create exchange value between two or more parties. In simple words, marketing concept is such a philosophy of management that guides market activities. The concept of marketing is a philosophy that firms should analyze the desires and needs of their buyers and then make decisions to satisfy those desires and needs.

According to Adam Smith (1776), in his book "The Wealth of Nations", he wrote that the desires of producers should be considered only with regard to meeting desire of consumers.

Rehnama and Beiki (2013), further defined that the modern marketing is a new thought that represents the desires and values of society and costumers, not just of corporate and benefits. Companies seek their advantages and they do not care about the basic principles based on the goals and values of individuals and society. The marketing concept does not target to maximize their profit through sales volumes but it is based on generating profits through customer satisfaction. In short, marketing concepts are built and developed to satisfy the needs and wants of customers.

1.2. Marketing Strategy

The definition of strategy is viewed in different ways by different organisations. Actually, the word strategy gets its origin in military for planning on critical situation. According to the Oxford Dictionary, "Strategy is an art of planning and directing an operation in a war or campaign or skill in planning or managing any matter well, or a plan or policy designed for a particular purpose".

Marketing strategy takes care of all marketing goals. Marketing strategy is an organizational plan. This plan should be product, market specific and may be

companywise. Marketing strategy is ideally built around market research to create an ideal product mix to achieve maximum profit potential. According to Kotler et al., (1999), "Marketing strategy is the marketing logic by which a firm or business unit tries to achieve its marketing objectives". Marketing strategy is the best chance to recognize and satisfy unfulfilled customers desires. In short, market strategy is a common method which helps a company to achieve its objectives.

1.3. Marketing mix

Marketing mix describes the set of tools that can be used to impact sales. Marketing mix or variables divided into four distinct categories makes it easier to implement a proper marketing strategy. In the year 1960, E. Jerome McCarthy compressed marketing mix into the 4 P's of marketing that categorized; (1) product, (2) place, (3) price, (4) promotion.

1.3.1. Product

The product can be defined in many ways. As per marketing terms, product is defined as physical products and services offered, and ideological actions of the business unit. One of the most important marketing mix tools is product, which stands for the firm's tangible offer to the market including the design, variety features, product quality, branding, packaging, warranties, services, etc.

Consumers expect benefit(s) at the time of purchasing products. The expectations are based on their own needs and the product is purchased to satisfy those needs. As per Kotler (2001), "A product is any offering that can satisfy want, need or such as one of the followings basic offerings of goods, services, experiences, places, properties, organizations, events, persons, information, and ideas".

1.3.2. Price

A mostly critical marketing mix tool is price. Price is defined as the amount of the products and services. This is the amount of money that customers have to pay for purchasing the product. The word price includes all of the pricing related terms which are retail prices, volume discounts, and terms of payment, discounts, and credit policy. Kotler (2008), also explained that price is the one element of the marketing mix that produces revenue for the organization. It is the most important

determinant of the probability of the business. Pricing is very important to manufactures and customers, it is easy to compare between the same products and services provided by different manufacturers.

1.3.3. Place

According to Kothari et al., (2008), the main purpose of marketing in current scenario is to make product available to the consumer at the appropriate proper time, place and price, which is possible by efficient distribution activities of the organizations. In simple words, place means the availability of the product and service, where it sells. This marketing mix tool refers to distribution. It also includes exposure, channel type, transportation, and location. A product needs to be available to the client, when and where he wants it.

1.3.4. Promotion

The fourth and last marketing mix tool stands for the various activities of the company. A company targets and persuades customers to buy its products or services through product advertisement, sales promotion, personal selling and public relations. According to Armstrong and Kotler (2005), promotion is concerned with telling the target market or others in the channel of distribution about the "right" product. Sales are part of promotion and can be either personal or mass selling. Personal selling is a traditional activity of promotion and mass selling is related to advertisement and publicity.

1.4. Integrated Marketing Communication

The role of integrated marketing communication is to inform, remind, and persuade the target audience about a particular product or service. Today many companies are using different marketing communication tools. According to Kotler (2008), "The concept under which a company cautiously integrates and coordinates its many communications channels to deliver a clear, consistent message". Raman and Naik (2005), defined IMC in the following words, "An Integrated Marketing Communication program plans and executes various marketing actions with consistency so that its total impact exceeds the sum of each actions". Integrated Marketing Communication include many types of

communication tools for example- sales promotion, direct marketing, public relations, personal selling and advertising collaborate to take full advantage of the communication impact on target audience. Public relation, advertising, publicity and personal selling form the components of the promotional mix or marketing communication.

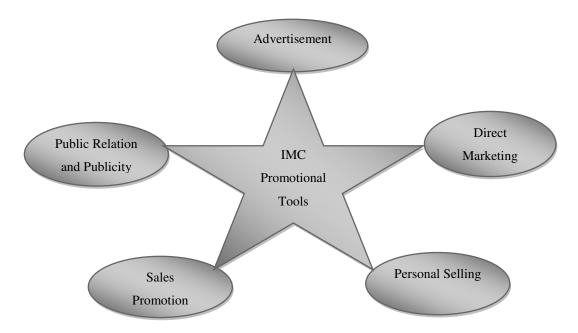


Figure 1.1: Integrated Marketing Communication Promotional Tools (2010) (Source:https://www.mbaknol.com/marketing-management/different-tools-of-integrated-marketing-communications-imc, Modified by Researcher)

1.4.1. Advertisement

In the words of Belch and Belch (1990), "Advertisement is any paid form of nonpersonal communication about product, service, idea or an organization by an identified sponsor". The "paid" word refers to the time or space for an advertising message. And the word "nonpersonal" refers to the mass media like -Television, Magazine, Newspaper, Radio, and Social Media. Mass media can transmit a message to large groups of individuals at the same time advertising is the well known and mostly discussed form of promotion. It is a very important and useful promotional tool, specially for companies whose products and services are

targeted at mass consumer markets such as automobile manufacturers, packaged goods etc.

1.4.2. Personal Selling

This interaction may occur between the two parties, by any person, by telephonic, email and others. It is a mutual communication approach of marketing that involves seller and buyer. Personal selling is a mutual flow of communication. This flow may be seen between seller and buyer. This is designed to influence a person(s) or group(s) purchase decision (Berkowitz 2000). Personal selling is a personal dealing between two or more people, so that each person can observe the other's needs and make quick adjustments. For a example, an insurance company where company uses their sales force.

1.4.3. Sales Promotion

Sales promotions are designed to get customers to rapidly action at a large amount and continuously buying. This type of integrated marketing communication consists of other types of promotion, such as- coupons, contests, games, mail offers, etc. Many shops are using coupons/ offers to attract consumers to pick a particular brand and product. There is a similar term of sales promotion called trade promotion. Mostly the word trade promotion is widely used in business to business market. Sponsorships, trade shows, event marketing, incentives such as extra money and prizes is included in trade promotions.

1.4.4. Public Relations

Public Relations (PR) is the practice of managing the spread of information amongst an organization, individual or a business, government agency, public or a nonprofit organization. As per Institute of Public Relations, USA, "Public Relations is purposeful, planned and continual effort to establish and maintain mutual understanding between an organization and its public". This is helps to promote products and brand image by impose a positive turn on news stories. Many companies are using Personal Relations to promote products. Press releases, publicity, product placement, and sponsorships included in public relations materials. Many companies have public relation departments or they hire public relation firms to find and manage public relations opportunities for them.

1.4.5. Direct Marketing

Direct marketing is direct communication with targeted individual consumers to obtain a quick response. Direct Marketing is selling product(s) directly to the consumer / end-user, rather than through a distributor or wholesaler. Direct marketing includes pamphlets, telemarketing, Internet etc. Direct marketers also need to understand the buying behaviour of the target audience.

1.5. Advertising

The world is moving fast; most of the companies are going global. To match with the speed of the growing competition today, it is important for the advertisers to focus more on their promotional strategies. All marketers are trying to take hold on markets and customers by constantly working on how to best use mass media in the new communication environment. Advertisement is one of the most important tools in mass media communication. These are advertisements, sales promotion, public relation, event and publicity. Among these mass media tools advertisement is the most demanding tool.

Advertising is most effective non personal promotion for many firms and manufacturers. In fact advertising is a paid, non personal sales communication usually directed at a large number of potential buyers. Top five countries which dominate worldwide advertising market are US, China, Japan, UK and Germany. As per emarketer report (27 October 2016), advertisement spending growth will hover between 5% and 9% each year of the forecast, with total spending climbing to approx ₹ 46417 bn in 2020.

According to India brand equity fund (December 2016), it is estimated that by 2018, the share of ad spending in India's GDP will be around 0.45 percent. And India's digital advertisement market is expected to grow at a compound annual growth rate (CAGR) of 33.5 per cent to cross the ₹ 25,500 crore mark by 2020.

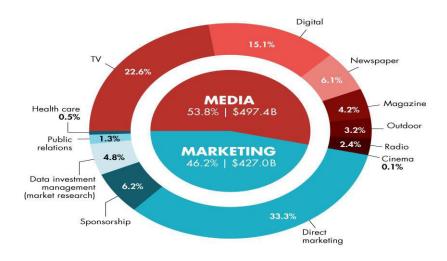


Figure 1.2: Global Expenditure of Media and Marketing

(Source: Bradley Johnson, advertising age India (2015), http://www.adageindia.in/marketing/news/What-You-Need-to-Know-About-the-Global-Ad-Market/articleshow/50071645.cms)

Today in newspaper and any website and any magazine, we don't read only current affairs, current knowledge, sports, other activities etc., but also several information or messages about some product or services or example- Motor bike, television, oils, transport, insurance policy and many more. Such information is also seen in television, radio, roadside hoarding etc. All these information make aware of the products or services, about their price and features. Whenever we feel requirement of these products or services we try to go to the place of its availability. Look at the quality, price and features and purchase, if it matches our requirements. For example if we see a new product on television like New "Old spice deodorant", we go to market and ask for this product from the shopkeeper. If we like the fragrance and find the price reasonable, we can purchase it for our use. There are many different features like car dealer sells car on installment and shopkeeper allows discount on a particular product. It is necessary that we gave giving any information to make the customers aware of any product or service and motivate him to buy. Service providers, manufacturers, and traders attract customers to promote sales by given such information. This whole activity is called by "Advertising".

Advertising is a form of communication for marketing. It is used to persuade, encourage or manipulate an audience (may be viewers, readers or listeners) to continue or take some new action.

Advertisement is necessary for both the sellers and the buyers. Although it is more important for the sellers yet it is also useful for buyers. In the modern age of market, manufacturers cannot think of pushing sale of their products without advertising them. Advertising is the communication link between the seller and the buyer/ consumer. As a means of forceful communication, advertising promotes the sales of goods, services and ideas through information and persuasion.

One thing may be well understood that advertising by itself is unable to sell the product. It is not able to sell those products which too much costly and of poor quality. Advertising alone cannot help in selling product(s) or service(s).

The word 'Advertising' comes from the Latin word "advertere". This refers to "turn the minds towards". In a very simple word, advertisement is a "public announcement". In earlier times 'advertise' meant merely to announce or to inform. Some more definitions are as given below.

1.5.1. Concepts of Advertisement

Advertisement has huge aspect, several authors and societies have given several definitions. Some are-

- (a) According to American Marketing Associations (AMA), "Advertising is any paid form of non personal presentation and promotion of ideas, goods and services by identifying sponsors".
- **(b)** According to Kotler and Keller (2006), "Advertisement is any paid form of non personal presentation and promotion of idea, goods or services by identifying sponsor". It may be cost effective way to publicity of a message, whether to build brand preferences or make people aware.
- (c) According to Subroto Sen Gupta (2003), "Advertising is the discovery and communication of persuasive difference for a brand to target prospect".

(d) As per to Sidney Bernstein (1990), "Advertising is a substitute for the human salesman".

Advertising consists of all activities presenting a sponsored message regarding an idea, a product or service.

1.5.2. History of Advertisement

Advertising, as we understand it in present time, was not used until about 200 years ago. The form of advertising for the transmission of information many year backs from ancient of Rome and Greece. Archaeologists have discovered many such signs and designs. During the middle century, signs of advertisement were used very extensively. These signs consisted of the symbols of the product which was advertised.

In about 17th century, news paper advertising began developing when newspaper appeared in many parts of the world. It was a very important phase of advertising as it was very easy and low cost form of advertising. At the end of 17th century, newspapers were published in England and many countries on commercial basis. First advertisement was broadcast by radio in New York, on the WEAF radio station in 1922.

In India, history of advertisement is very old. Relics of Harappa, Mohenjodaro indicate names engraved on exquisite earthen, stone or metal works which is comparable to the present trade mark system (Chauhan, 1998).

According to James (7 October 2010), in the year 1780, Hickey presented first news paper in India, "Hickey's Bengal Gazette" (Calcutta), Advertisements appear for the first time in print in Hickey's Bengal Gazette newspaper.

Although modern advertising is creativity of Americans yet also it had its root in England. The industrial revolution led the expansion of mass manufactured goods in European Union and America.

1.5.3. Objective of Advertising

- (a) To Educate Customers- The main objective of advertising is to educate the customers about the benefits of a particular product. For example when we see advertisement of Garnier Herba shine hair colour cream, they present it as "ammonia free".
- (b) To Create Demand for New Product and Service- whenever an advertisement of new product like new kind of toothbrush which is introduced in the market, which is very unique and efficient and easy to remove germs. This kind of advertisement motivates us to buy and create new demand for itself.
- (c) To Retain Existing Customer- Advertisement is very important for product or service to retain its existing customer. Many times companies are using advertisement for retaining customers. Example- Offers, Coupons, etc.
- (d) To Increase in Sales- Advertisement helps to create new demand and this new demand helps to increase in sales. So if we do create demand in market, the sale of product increases respectively.
- **(e) To Help the Salesman-** Advertisement tells about product benefits and quality, so that salesman can quickly explain and sell it.

1.5.4. Features of Advertising

With the use of definitions and meanings of advertisement we can assume the following features of advertising

- (a) Paid Form of Communication- In this type of advertising, manufacturers communicate with their prospective customers through different media. For example- Television, Radio, Magazines, Hoardings, print media, etc. In this kind of communication manufacturer has to pay an amount for using some space or time in all those type of media.
- **(b) Non Personal Presentation-** In this type of advertising there is no direct contact with the customers.

- **(c) Information-** Advertising informs the buyers about the benefits of that product and ensures that all given information is complete and true.
- (d) **Persuasion-** The advertiser expects to create a favorable attitude which will lead to favorable actions. Any advertising process aims at converting the prospects into customers.
- **(e) Profit Maximization-** In fact advertising does not create maximizing profits by increasing the cost but it helps to increase demand for profit maximization.
- **(f) Choice Maker-** Advertisement enables customers to buy goods as per their budget requirement and choice.
- (g) Creativity Element- A lot of creativity is involved in advertisement campaign. If the message of the manufacturer or advertiser matches the expectations of consumers, manufacturer or advertiser expectation will be satisfied.
- (h) Science, Art and Profession- Advertising is a science because it has an organized body or structured program. Advertising is also an art because it represents a field of creativity and imagination. Now days, advertising is a profession with its professional bodies and regulations.

1.5.5. Active Participant in Advertisement

- (a) The Advertisers Advertisers may be manufacturers or retailers or distributors. The advertiser may be a public sector in undertaking. It could be a government department or an official body. It can be a voluntary organization.
- **(b) Target Audience-** Advertising messages are given about particular products, services and ideas to its target audience like- readers, listeners, viewers and actual and potential buyers.
- **(c) Media Owners-** These are publishers of news papers and magazines. They also publish directory, year book, and other print material. In broadcast media, we have seen television and radio and there are outdoors and transit advertisement contractors.
- (d) The Advertising Agencies- Advertising agency helps to create advertising campaigns. This agency may be company is own or any other.

- **(e) Free Lancers-** generally they are professionals of good track record. They are singers, radio jockey, artists, technical writers, etc.
- (f) Public Relation Consultants- We can find them in public relation department of advertising agencies or independent. They have got an association: Public relations society in India.
- (g) Auxiliary Services- They are also needed to create advertisement. They may be studio, printing service, photographic service and other supporting services.

1.5.6. Advertising Agencies

Organizations handle advertising in different ways. In small companies advertisement is handled by certain person or marketing department who that works with an advertising agency. Many large companies set up own advertisement department. Most of companies use an outside advertising agency. It helps to create advertising campaigns and select purchase media.

According to Megan Crouse (2010), 'Volney Palmer' was the first advertising agent who created such a network in 1841. He proclaimed himself as an advertising agent in Philadelphia and then created similar offers in Boston and New York. About 20% of the commission for media brokers was paid to the publishers.

In the worsd of Vikram Chawla (August 2009), in the year 1905, thefirst advertising agency was established in India, B. Dattaram and Company, after that The India Advertising Company was established in year 1907 and Calcutta Advertising agency was established in year 1909 (Surya, September 2011). In 20th century foreign advertising agencies entered Indian market with mergers and acquisitions.

1.5.6.1. Types of Advertising Agencies- There are generally five types of advertising agencies.

(a) Full Service Agencies

- Big agencies.
- Managing various advertisement stages.
- Experts are available for several departments.

(b) Interactive Agencies

- Using modernized modes of communication are used.
- With the help of online advertisements, sending personal messages on cell phones, etc.
- The ads produced having very new innovative ideas, designs.

(c) Creative Boutiques

- Very creative and innovative ads.
- No other function is performed other than the creating actual ads.
- Small scale agencies with their own directors, copywriters and creative people.

(d) Media Buying Agencies

- Buys place for advertising and sells it to the advertisers.
- Also sells the time in which advertisement will be broadcast.
- Schedules time slots at different television channels and radio stations.
- And finally checks and observes whether the advertisement has been broadcast at opted time and place or not.

(e) In- House Agencies

- Set up their own advertising agencies internally.
- Make efforts to reduce costs and maintain greater control over agency activities.

1.5.7. Life Cycle of Product Advertising

Product advertising is divided into the following stages

(a) Informative Advertising- This is the first stage of product advertising. It is created to build initial demand for a new product.

In fact it is the introducing stage of a product.

- **(b) Persuasive Advertising-** It is used to improve the competitive status of a product and idea.
- **(c) Comparative Advertising** This makes direct comparisons with other competitive products.
- **(d) Reminder Advertising-** This stage is used in the declining stages of the product life cycle. It attempts to keep a product name before the consumers to remind them the importance of the concepts.

1.6. Types of Advertising Media

Advertisement is a very simple word but it contains many types of exposures and promotions of certain product, service and idea. Advertising may be of many types but here we are focusing on media advertising.

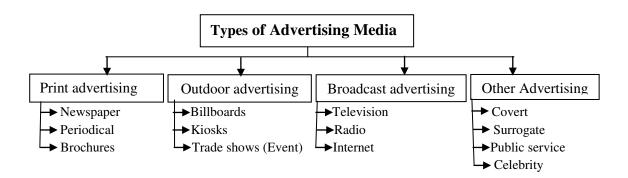


Figure 1.3: Types of Advertising

(Source: Hanekom J. and Scriven C. (2002), "Traditional and Online Advertising; An Explanation of Current and Future Trends", Communicatio, ISSN: 0250-0167)

1.6.1. Print Advertising

Advertising in the print media is the oldest and largest in terms of advertising billing. From the beginning print media has always been a popular choice of advertising. It is the cheapest and fastest way to produce and place ads in print. It is very commonly used by businessman and traders. It includes news papers, magazines, journals, pamphlet, and more. As published in Livemint E-newspaper (2016), in the year 2015, print media contributed at ₹16,935 crore'.

(a) News Paper- Today news paper is a very common thing in our life. Many people read newspaper. Newspaper is published in many languages like Hindi, English and other local languages. News paper is a ease medium of advertising. The advertisers and manufacturers can communicate their message through news paper.

Advantages-

- News papers normally have wide circulation and quickly reach a large number of people.
- The cost of the advertisement is lower than other medium of advertisement.
- Newspapers are published on daily basis so that advertisers can remind their customer continually.
- The content of a news paper is short and simple so the customer can easily understand its features.
- Newspaper is published for certain area. So it is easy to target certain area customers.

Limitations-

- In today's busy life many people are unable to give proper time to read newspaper.
- Illiterate people are unable to read newspaper. Therefore they are not affected by newspaper.
- Newspaper has very short life and also production quality in newspapers is so good.
- (b) Periodicals and Magazines- Periodicals and magazines are published regularly but not on daily basis. These are published on a weekly, monthly, bimonthly, quarterly, half yearly, yearly basis. Generally seen are several magazines like India Today, Femina, Grihashoba, Meri Saheli, etc. All these periodicals and magazines have a large number of readers. Advertisements are published in them regularly.

Advantages-

- Periodicals have much longer life than newspapers. These are preserved for a long period for reading again.
- Periodicals have a selected readership so advertisers can know about their target customers. For example- Grihshobha magazine is published for women. We can see woman related advertisement products. And there are very rare advertisements of those products which are used by men.

Limitations-

- Advertising in periodicals is costly.
- The number of people approach is less than that of a newspaper.
- Some circulation is wasted.
- (C) Brochure and Pamphlet- Brochure is also an important part of print media. It is a small print paper which contains all details and information, which advertisers want to show. It is very common idea used by many advertisers for promotion in target place.

Advantages-

- Brochures or pamphlets are much cost effective rather than other types of advertising.
- We can target specific people at particular place. For example, if we want to promote education related information we can distribute it near schools or coaching.
- We can get all information on a single paper.

Limitations-

- Approach to people is very low rather than that to other types of advertisement.
- Some distribution is wasted because many people do not read it.

1.6.2. Outdoor Advertising

Outdoor advertising is the oldest form of advertising. The use of signs in advertising dates back to the days of ancient Rome and Greece. In that time, signs and allusions were used to mark the location of mercantile establishment. Today outdoor media is not limited to only poster or sign but it includes many forms of advertising. Following are few examples of outdoor advertising billboards, kiosks, events and trade shows.

(a) Billboards- Outdoor advertising is mostly billboard advertising. The word "billboard" has originated out of "Bills" that were pasted on "wall or boards". In beginning the playbill was pasted outside the theatre or circus, so that passersby could see it. Now with the modern printing press big size posters can be printed easily. The bigger posters are called "Bleed Posters". Posters can be illuminated or non-illuminated (normal).

Advantages-

- Posters are 24-hour medium of advertisement.
- Billboards give us flexibility of ads and offers long life.

Limitations-

- May be spoiled by bad weather condition.
- Limited area approach.
- (b) Kiosk-Kiosk is a small open-fronted hut or it may be in cubicle from where newspapers, refreshments, tickets are sold and we can also get information about certain things or product. We easily can see kiosk at roadside, near shopping mall and outside a building. Kiosk displays information for people walking by.

Advantages-

- Live presentation of the product.
- Sale /registration of product/ service at the same location.
- Easy to move.

Limitations-

- Limited coverage area.
- Many visitors only act as audience, not as customers.
- (C) Trade Show- According to the entrepreneur Media Inc. (Magazine), An exhibition for companies is a specific industry to showcase and demonstrate its new products and services. Trade shows are sponsored by several trade associations for a particular industry. Many trade shows are happen by various associations, year and year. Trade show is a good idea to find customers to help in business growth. Trade shows have become very popular, and it is easy to find one, that is suitable for industry and company's requirement.

Advantages-

- Attract more customer or perspectives.
- Live demonstration.

Limitations-

- More trade shows don't happen in public area.
- Maximum invitation is only given to certain industries members and media groups.

1.6.3. Broadcast and Electronic Advertising

In present days, broadcast advertising is a very popular advertising medium. It constitutes several kinds of sources like television, radio or internet. Broadcast advertising cost depends on the duration and time of the advertisement. Sometimes it depends on the show which will be broadcast.

(a) Television- In India television was introduced in 1959. Televisions have acknowledged people that world is much more rather than a country. Television established itself top in all media advertising. Television has put/ created effective impact on people by the eye and the ear. A product can be shown, uses can be demonstrated and features can be told over television. Television commercial is the advertising message that is carried in a limited time span, may be 10 seconds, 30 seconds and 60 seconds.

Advantages-

- It is the most effective source of advertisement. It has visual- audio impact.
- With attractive slogans, song and dance steps television advertisement has long impact.
- In regional languages channel any person even illiterate can understand it by seeing and hearing.
- Advertisers can reach national and international market.
- By viewing and listing, buyers can easily know about products.
- Television succeeds in building a brand image.

Limitation-

- Setup of television is not easy or movable.
- In India, a lot of houses/families have no television.
- Wait for commercials on television.
- Television advertising is usually expensive.
- People often change channels when they see any commercial advertisement on television.
- (b) Radio Advertising- We all very well know the importance of radio and also listen to programs and advertisements. In radio very short advertisement are aired during the programs. In radio advertising, various products are promoted by their slogans and jingles. For example- Ghadi detergent powder and cake slogan is "Pahle istemaal kare, phir viswash kare". According to Nitya Menon (May 2014), in India, July 1924, it was the first day when the first voice emerged from a radio set in Chennai. FM is the rebirth of radio. FM channels have become more popular among old channels.

Advantages-

- It is more effective as people hear it on regular basis.
- It is also useful for those people who can't read.
- Easily listen to radio when we are busy with some other work.

Limitations-

- In comparison to television, there is no visual effect. So advertisers are unable to show visual features of their products Example- We cannot see visual features of mobile phones in radio advertising.
- Useful for regular listeners only. Occasional listeners do not know what program is being heard by them.
- (c) Internet Advertising- Internet is the biggest invention of the 21st century. The world has changed with tremendous speed after arrival of internet; with the use of computer we can search a lot of things at one place. All information is just a click away. Internet is being used in more than 150 countries. Advertisers can put their messages on the internet pages. Now many mobile operators are providing internet on mobile phone which enables us to use internet, on a nominal cost. Through internet we can go to the website of many manufacturers and service providers, and get information about them.

Advantages-

- Information from all over world can be received in a second at one place.
- Through portable devices it can be movable anywhere.

Limitation-

- It is not accessible without internet enabled devices.
- It is not very suitable for general people, specifically illiterate people.

1.6.4. Other Advertising

(a) Covert Advertising (Advertising in Movies) - Covert advertising is a different kind of advertising. A product or a brand is visible/show in some entertainment activity and television channels like movies, television shows or sports. This type of advertising is not commercial advertising as such use in the entertainment but the brand or the product is easily showcased in the entertainment show. For example 'Nokia Lumia' mobile phone was shown by 'Shahrukh Khan' in the movie 'Chennai Express'.

An another example of covert advertising, In movie 'Mission Istanbul' in which 'Mountain Dew' soft drink was promoted with a punch line "Darr ke aagey jeet hain".

Advantages-

- Advertisers promote their product as celebrity choice.
- Every time we see this ad while watching a movie.

Limitation-

- Many people do not watch movies.
- Many viewers don't understand it is promotion or something else.
- Limited area approach
 - (b) Surrogate Advertising (Advertising Indirectly) Surrogate advertising is unique type of advertising where advertisers promote their product indirectly to customers or consumers. Surrogate advertising is used for a particular product, that is banned by law or regulation. Some products advertisement like cigarettes, alcohol, zarda are injurious to health and banned by law. So these products companies come up with several other products or image that have the same brand name and indirectly remind people of the banned product (alcohol, cigarettes, zarda) of the same brand by advertising the other products. Common examples include Kingfisher brands shown as "mineral water and soda". Other example alcoholic beverage Baccardi present "Music CD" of dance party. And other famous example of famous cigarette Red & white present as "Red & white bravery award". This kind of brands are often promoted with the help of surrogated advertising.

Advantages-

- Advertisers promote injurious product or brand without breach of laws.
- Remind customers of product existence.

Limitations-

- Promoters have to present other products in the market.
- Difficult to understand.

(c) Public Service Advertising- This type of advertising used in advertising as successful communication source to convey socially relevant messages among people. This type of advertising given information about important matters and social causes for example AIDS, clean and green, save energy, illiteracy, poverty and many more. Now a days, public service advertising is being increasingly used in a non-commercial fashion in order to promote various social causes. For example- Amitabh Bachachan is featuring in 'Clean India' promotion campaign and 'Polio drops'.

Advantages-

- Creates awareness among people.
- Motivates people for ethical behavior.

Limitations-

- Many people do not follow moral responsibility.
- (d) Celebrity Advertising- Today, audience is getting smarter. So many advertisers/ manufacturer are using celebrities for advertising involves celebrities for campaigns. Consists of all kinds of advertising including, broadcasting advertisements or print advertisements.

Advantages-

- Celebrities play role model for people; so people want to be like them
- Celebrities create new demand among their followers.

Disadvantages-

- Hiring or contract with famous celebrities is too costly.
- Sometimes, it creates negative demand among customers.

Some Other Classification of Advertising-

- (a) Area Coverage Local, Regional, National, International
- (b) Audience- Consumer, Industrial, Trade, Professional

1.7. Ethics of Advertising

Ethics means "good conduct" or "conduct which is the right view of society and the time period". In fact ethics is choice between good or bad. Besides the external rule and regulations or laws, the advertisement needs internal controls and self regulation by advertisers. In this globalized world, every producer wants to become market leader and tries for high sales. Advertisement is very common tool for producers for showing their products. But producers with higher aspirations try to use unethical advertisement for this leadership. Self regulation in advertisement is a matter of high importance. Because of absence of particular law, rules and regulations this is very useful ethics for advertisement.

1.7.1. Agencies Involved in Self Regulation for Ethical Behaviour

Number of agencies are involved. These can be classified into the following:

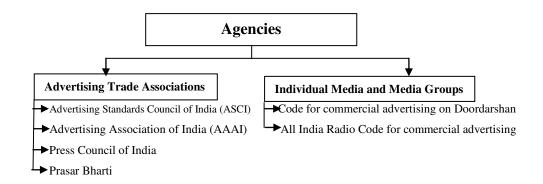


Figure 1.4: Agencies Involved In Self Regulation

(Source: Sheetal Kapoor (2010), http://www.exchange4media.com/e4m/media_matter/omnibus.asp)

In India, Advertising Standard Council of India (ASCI) is playing a crucial role. It is effective redressal machinery for stoppage of untruthful and unfair advertisement. Advertising Standard Council of India (ASCI) was set up in October, 1985 and registered as non-profit organization under section 25 of the Indian companies act 1956. The most important aim of Advertising Standard Council of India (ASCI) is to maintain and enhance public confidence in advertisements.

1.7.2. Principles of Advertising Ethics

As per Institute of Advertising Ethics (IAE), eight principles and practices. They are based on all forms of communications, including advertising. That do what is the right for customers or consumers.

- (a) Advertising, public relations, marketing communications, news and editorials all share a common objective of high ethical standards and truth in serving the public.
- **(b)** All promoting communications professional have obligation to do the highest individual ethics in the spreading and formation of commercial information to consumers.
- (c) Advertising should clearly distinguish advertising, public relations and corporate communications from news and editorial content and entertainment, both online and offline.
- (d) Advertisers should clearly disclose all material conditions like payment or receipt of a free product, identity of endorsers and transparency and affecting endorsement in social and traditional channels.
- (e) Advertisers should treat consumer fairly based on the nature of the audience to whom the ads are directed and the nature of the product and service advertised.
- (f) Consumer's personal privacy should never be compromised by advertisers in marketing communications, and their choices. The information should be transparent and easily made.
- (g) Advertisers should follow advertisement laws, and cooperate the industries self regulatory programs for the resolution of advertisement practices.
- (h) Advertisers, advertising agencies and members of team creating advertisements should discuss privately potential ethical concerns.

1.7.3. Advertising Standards Council of India (ASCI)

In year 1985 Advertising Standards Council of India (ASCI) was established. The most important objective of establishing it is regulation in Advertising and ensuring the protection of the interests of the consumers. This council was created

support of four sectors connected with advertising (advertisers, advertising agencies, media, market research companies/ public relation agencies).

The consumer complaints council is Advertising Standards Council of India (ASCI) heart and soul.

1.7.4. Social Impact

Advertisement is so much visible that many of the criticisms focus on the style of advertising and saying it is manipulative and decoy. It is a reason for developing harmful habits among people, and entices people to buy useless products for them. Still there is no question why producers spend a lot of money on advertisement? Except this, advertisers spend a lot of amount trying to convince people that their product will make them healthier, sexier, more attractive and more successful. All over the world, advertising supports marketers who want to sell their products. Other criticisms focus on social impact of advertising. Social issues can be an instance where advertising tends to violate. Marketing professionals closely believe in the benefits that advertising bring to society. Critics of advertising might agree with some benefits of advertisement, but not all of them.

1.7.5. Social Responsibility and Advertisement Ethics

When advertisement violates one of the basic assumptions like deception, manipulation etc, some corrective action is needed. There a large number of laws related to what practices are allowed and disallowed in advertising.

Ethics means what an advertiser is doing and morally right. Social responsibility means doing as best for the welfare of the people. This welfare may be for a general or for a particular community. Ethics and social responsibility can be seen as the moral obligation of advertisers, which are designed not to break our basic and social assumption.

Advertisers and their agencies must be sure that advertisement does not cross limits of legal and social norms. Public policy makers have developed a substantial body of regulations and laws to govern advertisement. As under United State laws, advertisers make no false claims. They must avoid false demonstrations.

1.7.6. Two Component of Ethics

- (a) Traditional action.
- (b) Society established rule

Both are based on individual attitudes, feeling, emotion, belief.

1.7.7. Rules Against Mislead Advertising

As per the news report of "The Indian Express written by Utkarsh Anand (2016)", if celebrity is found in misleading advertisement or endorsing misleading content, he / she has to be ready for legal provisions. Celebrity brand ambassadors have to deeply think before endorsing a product. If they make unrealistic claims they are liable to be sent to jail for 5 years and a penalty of ₹ 50 lakhs.

explains "endorsement" as any message, verbal statement or any other form of depiction to show a celebrity's "liking" for a product, which leads the consumer to believe that it reflects the celebrity's opinion, finding or experience.

According to section 75A of the revised Consumer Protection Bill (2015) makes a manufacturer and service provider also legally responsible for any false and misleading advertisements, and prescribes penalties in the same manner as celebrity brand ambassadors have been made liable.

According to section 75B of the new bill any "false or misleading" endorsement which is adverse to the interest of any consumer is a penal offence and punishable with a jail term of up to two years and \ge 10 lakh fine. For the second time there is a provision of five year imprisonment along with a fine of \ge 50 lakh.

As per this bill, celebrities have to prove their innocence. The burden would be on celebrity brand ambassadors to prove their innocence. But mistaken belief shall not be a "defence", states the Law Ministry draft of the new law.

1.8. Product Endorsement

A product endorsement indicates that someone likes or approves a product. Generally, product endorsements are requested from people who are very well known, allowing companies to advertise their products with statements as used by an actor or an actress.

The idea of product endorsement is quite ancient. For example- many companies have been advertising themselves as by appointment to the England royal family since a long time, At the time of purchasing a product, consumers are often imagining who endorses it, wealthy or famous person. The consumer wants to become affiliated to the person who endorses it.

Modern product endorsements can come with contracts worth substantial amounts of money.

Product endorsement doesn't say that a product is always good. It only means that the company has engaged with a big name for his work its public relations. Some endorsements take the form of written testimonials, where individuals write about how the product makes changes in daily lives. In past days, such testimonials were often printed on the product packaging directly. Companies also use photos of well-known people on their products to make a visual connection between the endorser and the product.

Four Types of Endorsements:

- Explicit (person endorses the product)
- Implicit (person uses the product)
- Imperative (person impel the product)
- Co presentational (merely appearing with the product)

1.9. Celebrity Endorsement

The term 'celebrity' refers to a famous person. These famous persons are mostly associated with sports and entertainment fields. When any company or manufacturer uses celebrity fame in advertisement to promote a product or service, it is called celebrity endorsement. A person may become celebrity by their controversial actions, lifestyle, richness, and connection to a famous person, through media attention.

1.9.1. Introduction

Celebrity endorsement is the most popular way of advertising in present times. It has a very popular trend and winning formula for marketing and brand building. Today we see a lot of celebrities supporting and endorsing many products and telling that this is right product for consumer / customer. In the new age people tend to ignore all kind of advertisements in the magazines and newspapers or television. But thereafter, the glamour of a celebrity can't be ignored. So using celebrity in advertisement is the most successful toolfor keeping the customers to stay with the product. People are also attracted by celebrity living style, beauty and talent; therefore people are more influenced by celebrity. Advertisers often use celebrities in advertising because of their famous attributes (beauty, talent, athleticism, power, etc.) that often represent the attractions desired for the brands they endorse. In fact celebrities are the most influential icons that people admire. Among the most common reasons why companies use celebrities to endorse their products, are- increased attention, shining image, brand introduction, brand repositioning etc.

Advertisers pay a lot of amount to celebrities and hope they will create magic to the product and service and make them successful. So advertisers think that this is the most successful idea to impress people and make them aware of their product. Furthermore, consumers may like the brand because they like the celebrity who endorses it.

The history of celebrity endorsement of products began from 1760 by "Wedgwood". "Murad Cigarettes" used Fatty Arbuckle and Harry Bulger to promote its product in 1905 (Celebrity Endorsement–Throughout the Ages, 2004). British actress "Lillie Langtry" appeared on package of Pears soap in 1893. And she became the first celebrity endorser. Celebrity endorsement is using a well-known person's face. This fame and face is used to sell products or services. "If a famous person permits his or her image to be used for advertisement, it's called celebrity endorsement" (Business Directory). According to Lafferty and Goldsmith, (1999), "The importance of using a credible source in a company marketing communications has been a widely researched topic for decades. Most of this research has focused on celebrity endorsers". In addition, using celebrities

in advertising increases awareness and creates positive feelings towards the brand (Soloman 2002).

1.9.2. Concepts of Celebrity

Celebrities indicate popular fame and public attention in the media. It is usually applied to a person or group of people or occasionally, to animals or fictional entities. Celebrity status is often associated with wealth and fame and can often provide opportunities to make money.

According to Friedman (1979), "Celebrities are people who enjoy public recognition by a large share of a certain group of people. According to Johansson, J. & Sparredal, J. (2002), "Celebrity" refers to an individual who is known to the public (actor, sports figure, entertainer, etc.) for his or her achievements in areas other than that of the product class endorsed. As per McCracken (1989), "any individual or person who enjoys public recognition and uses this recognition appearing in an advertisement". According to Kurzman et.al (2007), "Celebrity is an omnipresent feature of society, blazing lasting impressions in the memories of all who cross its path". In words of Banyte et al. (2011), Celebrity endorsement is a prevailing advertising technique.

1.9.3. Attributes of Celebrity

- (a) Attractiveness- As per Chaiken (1979), "Physically attractive communicators are more successful in changing beliefs than are unattractive communicators. Attractiveness includes many characteristics that receivers may perceive in an endorser like personality properties, lifestyle, athletic prowess and other good character. In modern era, people are eager to attractiveness. And most advertisements are using attractive models.
- (b) Credibility- The word "credibility" refers to the tendency to believe or trust someone. When an information source such as an endorser, is perceived as credible the source can change attitudes through a psychological process. Two important qualities of endorser credibility are expertise and trustworthiness. Expertise refers to the knowledge, experience or skills an endorser as they relate to the communications topic.

Hence, sport persons considered to be experts when it comes to the endorsement of those products which are related to sports. **Trustworthiness** refers to the integrity and honesty of a source. Endorser's trustworthiness depends primarily on the audience's perception of his or her endorsement motivations. Trustworthiness can turn customer's perception in to positive thought and promotes more favorable attitudes towards the advertised brand.

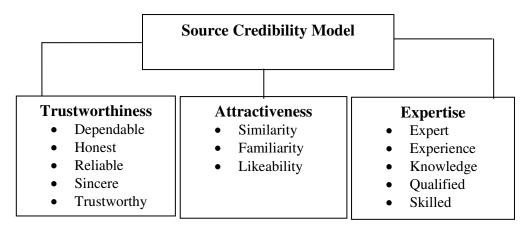


Figure 1.5: Source Credibility Model

(Source: Ohanian, R. (1990), "Construction And Validation Of A Scale To Measure Celebrity Endorser's Perceived Expertise, Trustworthiness And Attractiveness", Journal of advertising, No. 3, P. 39-52)

1.9.4. Endorser and Types of Endorsers

Meaning of Endorser: According to Lawdictionary.com, "Person or firm who signs a negotiable instrument to transfer ownership of the instrument or the property involved to a named receiver (endorsee)". In simple words defined by Freedictionary.com, "Endorser is used to express approval of or give support to, especially by public statement".

Types of Endorser: Endorser can be classified in following categories

- (a) Celebrity- Celebrity is a famed or well known person, particularly related to entertainment or sport based activity. Most of celebrities come from this, for endorsement.
- **(b) Expert-** A person who is expert in a particular area and the target population considers him as having adequate knowledge.
- (c) Unknown person Unknown person may be fictitious or actual. They are unknown individuals or persons. They are selected to closely enable the target segment to identify with the message and the endorser.
- (d) Animate Animation is a use of new technology and graphics for endorsement. In this type of endorser, marketers can use special effects, cartoon characters and any other designs.

According to Miciak and Shanklin (1994), As an endorser, one has to fulfill all the **FREDD** principle, which are-Familiarity, Relevance, Esteem, Differentiation and Deportment. FREDD is the result of a study interviewing many people around the world to find out why brands and their advertising efforts succeed and fail.

- (a) Familiarity- The first essential component of an effective endorser is familiarity. The target market must perceive them as friendly, likeable and trustworthy.
- **(b) Relevance-** This shows there should be a little connection between the endorser and the product, as well as between the endorser and the viewers.
- (c) Esteem- Consumers must have the utmost respect for the celebrity in order to the commercial or promotion to be credible. It means credibility to mass.
- (d) **Differentiations** The public must see the endorser as different from all the rest. In all his projections, he is seen to be one among the masses. Overall concept is based on "He is different".
- **(e) Deportment** The deportment principle explains about behavior of the celebrity.

1.10. Brand

Brand creates a name, symbol, design that differentiates and identifies a product from other products. This process is mainly through advertisement campaigns. Main aim of branding is to establish significant presence in the market.

1.10.1. Meaning of Brand

According to American Marketing Association (2007), "brand may be a name, term, design, symbol, or any other feature(s) that identifies one seller's product/service distinct with other sellers". Trademark is legal term for brand. Brand is the most valuable asset of any company or firm. Among the advertisers, general faith is that brand communication messages delivered by well known personality or celebrity generate a higher appeal, and attention rather than those delivered by unknown or non-celebrity.

Celebrities also have been in demand for successful in being effective to grabbing the attention and focus of the consumer. They also succeed in creating an aspiration in the minds of the consumer to acquire what their ideal celebrity endorses.

As per Economics Times (25 March 2009), in 2007, only 88 brands were endorsed by celebrities, while in 2008, more than 98 brands were endorsed by celebrities. According to Muruganantham, G. and Kaliyamoorthy, S. (2005), "As a result of the increase in celebrity advertisements in various media, India has become a celebrity-obsessed society".

Some products are created as a brand in themselves, like Ayurveda products. These products need very less promotion and celebrity endorsement. These products are made famous by people's perception towards a particular item.

1.10.2. Characteristics of Brand

Brands have some unique characteristics/ features that differentiate themselves from other products. According to Kothari et al. (2008), characteristics of brand are the following:

- (a) Brand is the name of a product
- (b) It includes any symbol, term, design or a combination of them

- (c) Brand is used for purpose of identification of marketers products or service
- (d) It is used to differentiate the product or service from those of the competitors
- (e) The brand name is vocalized part of brand
- (f) Every brand has its own personality
- (g) When brand is registered it becomes trademark

1.11. Celebrity Endorsement for Brand

In present days, celebrities play very important role in marketing communication strategy is fairly common practice for major firms. The instrument of celebrity endorsement has nowadays become a pervasive element in advertising and communication management.

In this new environment of marketing, consumers are surrounded by thousands of voices and images in magazines, billboards, newspapers, websites and other electronic media. Every brand is trying to steal a few time of a person to inform him or her of the amazing and different attributes of the product. To hold customer attention, celebrity endorsement is widely used in marketing strategy. As per Katyal (2007), "Marketers and advertisers spend a lot of amounts on celebrity endorsement contracts based on the belief that celebrities are effective spokesmen for their brands or products". As per Kambitsis et al. (2002), "Celebrity Endorsement is seemed as a huge amount industry in present scenario". "Celebrity endorser is a person who advertises a product, a person well known for his/her achievements." (Friedman and Linda 1979).

Endorsement is a method of brand communication. celebrity acts as the brand's spokesperson and do endorses the brand claim and position by their popularity, personality, stature in the society or specialization in the field to the brand. Celebrity endorsement may be used in market for national and international brands, for making differentiation among them. From a long time, many brands have been using concept of celebrity endorsement.

In modern age, people tend to ignore all kind of advertisements in the magazines and newspapers or on Television. But thereafter, the glamour of a celebrity seldom goes unnoticed. So that celebrity endorsement in advertisement and its impact on the overall brand is of great significance. Every product creates its own image and consumer tries to consume a brand which is closely related with his/her own personality/image. So, celebrities are really the most influential icons that attract people.

Many companies are investing large amounts to align their brands and themselves with endorsers. These endorsers are looking as proactive with both attractive and likeable Ideal qualities and companies plan that these qualities are transferred to the products by celebrity endorsement.

1.12. Celebrity Values

Celebrity branding is totally about the transfer of the value from the person to the product. There are two aspects from celebrity. **First** he/ she maintains his popularity and **second** depends on his/ her lifestyle. If celebrity is found in any kind of scandal, that would bring change in the brand. Amitabh Bachchan and Shahrukh Khan campaigning for 'Pulse Polio' reflects the transfer of celebrity values to the brand, creating an impact that generates recall.

1.13. Celebrity Endorsement as Strategies

The choice of suitable celebrity is very complex. The celebrity should have high recognition and high positive effect. Sunney Leone is high recognition but she may have a negative impact in many groups. Amitabh Bachchan, Sachin Tendulkar, Shahrukh Khan could successfully advertise a large number of products, because they have high rating of credibility, familiarity and reliability. Brands often use celebrities to get impact, because they are seen by the public as credible source of information about product or company and people aspire to the values and lifestyles of celebrities. Celebrity endorser is a person who enjoys high reputation and prestige, being known to most of the people. According to Raluca (2012), "Celebrity endorsement is a relevant strategy for the product categories which improve the image such as fashion, perfumes or cosmetics".

According to Ericsson and Hakansson (2005), "Advertisers often use celebrities in advertising due to their famous attributes (beauty, talent, athleticism, power, etc.) that often represents the attractions desired for the brands they endorse". According to McCracken (1989), "Celebrity endorsement is an easy way to connect with consumers". As per Muruganantham and Kaliyamoorthy (2005), potentials of celebrities may help the consumers to connect with the brand to purchase the products at outlets and celebrities can reduce the time for consumer to move from awareness to action.

Marketers want to turn celebrities in their relevant area. For example most of the actors and actresses are engaged in fashionable and beauty relevant product, most of the sportsmen are engaged in health related products. Besides endorsement, celebrity can play a major role in designing and positioning of products. For marketers, using of celebrity endorsement may be a little difficult. Contract fee of celebrity may be very high.

Celebrity might lose their popularity when they are caught in scandal or unwanted situation. For an example when Aamir Khan gave statement on intolerance, many online campaigns started to remove Snapdeal application from their mobile phones. So snapdeal had to breach the contract with Aamir Khan, and Incredible India (Tourism Campaign), Amitabh bachachan and Priyanka Chopra replaced Aamir Khan.

1.13.1 Types of Strategies-

- (a) Endorse with celebrity
- **(b)** Non- celebrity endorsement
- (c) And other ideas

1.13.2. Relationship between Celebrity and Brand

Celebrity endorsement is one of the most popular tools of advertising in present times. Celebrity endorsement has become a popular and considered as a wining formula for any product marketing and also helps in create brand building. Celebrities help in remind of brand names, help to create positive attitudes and personality for the endorsed brand.

1.14. Selection of Celebrity

Selection of the right celebrity for a particular product is very complex for any marketers. Sometimes wrong selection may reduce the worth for any product. The selection of appropriate celebrity for advertisement is a complicated issue. The Indians idolize their bollywood actors and cricketers. The advertisers see this as an opportunity to grab and work on so as to expand their operations and promote their product. Shimp (2000), put forward five factors in order of decreasing importance namely, **First** celebrity credibility, **Second** celebrity and audience match-up, **Third** celebrity and brand match up, **Fourth** celebrity attractiveness, and **Fifth** miscellaneous considerations.

Selection Criteria

- (a) Celebrity Product Match Celebrity should match with endorsed product. Celebrity is a mirror of endorsed product. So celebrities always match with product features. For example John Abraham image is perceived like a macho man so he is more eligible for motor bike advertisement.
- **(b) Celebrity Target Audience Match** Selection of celebrity is done always according to the targeted audience.
- **(c) Celebrity Popularity** Celebrity popularity is always chance to encash people's attraction for advertisers or product manufacturer.
- (d) Celebrity Credibility- Celebrity should be credible.
- **(e) Celebrity Values** –Value of celebrity is always an important factor for selection of celebrity.
- **(f) Celebrity Physical Attractiveness** Physical attraction of celebrity is a primary criterion for selection. A good looking and physical fitness is first impression of celebrity. It gives an image of the product.
- (g) Celebrity Regional and international Appeal Factors

(h) Others – Many other criteria should be matched like-

- Costs of Acquiring the Celebrity
- Fit with the Advertising Idea
- Celebrity Availability
- Celebrity should be Brand User
- Previous Endorsements
- Interest of endorser
- Unique Idea of promotion

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<u>Chapter – Two</u>

Effect of Celebrity Endorsement on Consumer

Behaviour with Special Reference to FMCG

Products

Chapter - Two

Effect of Celebrity Endorsement on Consumer Behavior with Special Reference to FMCG Products

2.1. Introduction to FMCG

FMCG (Fast Moving Consumer Goods) are those goods which are purchased by the consumers/ buyer for their use and purchased regularly. FMCG products are non durable and perishable. They have very short life time. Life time of FMCG products may be less than one year. For example some are- Dairy products, toilet soap, packaged foodstuff, detergent, toothpaste, cosmetics, shaving products, shampoo and household accessories and it may extend to certain electronic goods. FMCG products are also known by "packed goods" and "Consumer packaged goods" that are sold and consumed at regular and small duration. Buyers/ consumers are buying these products on daily basis or weekly basis in little quantity. FMCG products consumption is very high due to requirement of every one on regular basis and large number of consumers and the price of these products is low margin. "Logistics companies that provide a wide range of complementary services will play an increasingly more important role in the distribution of FMCGs" (Srinivasu, 2014).

More than 30 lakh people involved in downstream activities of India's FMCG sector. FMCG products are household care, personal care and food and beverages. According to The Indian Express (2013), present time FMCG sector worth approximately ₹ 3710 billion, contributing 4.8 per cent to the GDP and market size of the Indian FMCG sector is expected to reach approximately ₹ 9400 billion by the year 2020. According to Financial Express (May 2008), Fast Moving Consumer Goods (FMCG) industry is achieved 14.5 per cent growth in sales during the year 2007-08. In present time, it maintains a good growth rate. The biggest change in the FMCG industry was the 'sachet'. In recent years many biscuit companies, shampoo companies, hair oil companies, chocolate companies, detergent companies and many others FMCG companies have introduced

products in smaller package for lower price. By these strategies producers enhance their product in more hands.

Concepts of FMCG

According to Kotler (2003), "this sector is characterized by products having low unit value and requiring frequent purchases and consumer behavior reflecting less loyalty, impulse buying, and low involvement".

As per Businessdictionary, "FMCG products are regularly buying, essential or non-essential goods for example foods, toiletries, soft drinks, disposable items".

2.1.1. Market Size of FMCG Sector in India

According to India Brand Equity Foundation (article updated 2017), "the overall fast moving consumer goods (FMCG) market is expected to increase more than 14.7 per cent growth rate during 2012-2020. The rural FMCG market will touch approximately ₹ 6400 billion during 2012-2025. According to The Indian Express (2013), FMCG sector worth approximately ₹ 3710 billion, contributing 4.8 per cent to the GDP and market size of the Indian FMCG sector is expected to reach approximately ₹ 9400 billion by the year 2020.

- **2.1.2. FMCG Products Segments-** FMCG Products are divided into three main categories respectively House hold, Personal & Health care and Food & beverages products. According to India Brand Euity Foundation (article updated in 2017) Food products is the leading segment, covering around 43 per cent of the overall FMCG market and other 22 percent market is covered by Personal care products.
 - (a) Household Care- Household care segment is featured by intense competition and high level of penetration. This segment has 10 per cent part of total FMCGs industry. Local and unorganized players account for a major share of the total volume of this market. With rapid growth in urbanization and emergence of small pack size (sachets) the demand for the household care products is on boom. Major players are HUL, Nirma, Henkel and Proctor & Gamble.
 - **(b) Personal Care-** This segment includes personal wash products, hair care products, oral care products, cosmetics etc. It has 20% market share of all

FMCGs sector. Indian skin care and cosmetics market is valued approx \$274 million and major players are HUL, Colgate Palmolive, Gillette India and Godrej.

(c) Food and Beverages- Market share of this segment is 53% among FMCGs industry. This is very huge compared to others. This segment includes food processing industry, health beverage industry, bakery products, confectionery item, mineral water and packed drinking water and frozen items. The three largest consumed categories of packaged foods are packed tea, biscuits and soft drinks. The major share of tea market is dominated by unorganized players. Major leading branded tea players are HUL and Tata Tea. Big players in food segment are HUL, ITC, Amul.

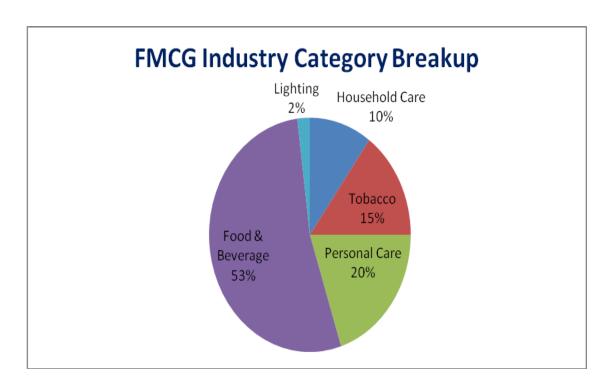


Figure 2.1: FMCG Industry Category Breakup

(Source: Federation of Indian Chambers of Commerce and Industry (2009), http://ficci.in/)

FMCG Category and Products- We can easily see following category of FMCG products.

Category	Products
Food and Beverages	Health beverages, Soft drinks, Bakery products, Snack foods, Chocolates, Ice creams, Tea, Coffee, Soft drinks, Fruit, Vegetable, Dairy products, Bottled water, Branded flour, Branded rice, Branded sugar, Juices, etc.
Household care	Fabric wash (Laundry soap and Detergent), Household cleaners (Dish cleaners, Floor cleaners, Air fresheners, Insecticides, Mosquito repellants) Metal and furniture polish, etc.
Personal Care	Oral care, Health care, Skin care, Soap, Cosmetics, Toiletries, Deodorants, Perfumes, Paper products, Feminine hygiene, etc.

Table 2.1: Category of FMCG Products

(Source: India Brand Equity Foundation (2016), http://www.ibef.org/industry/fmcg-presentation)

2.1.3. Characteristics of FMCG- Researcher describe two sides of characteristics of FMCG which are following

(a) Buyer Side

- Quick buy
- Low price
- Less thinking
- Purchasing few unit of goods

(b) Marketer Side

- High sale volumes are high
- Low profit
- Huge network

2.1.4. FMCG in India

India is one of the fast developing economies in the world. Population and area of India is very large. Population of India is more than 125 crore and it is approx 17% of whole world. According to Gupta and Roy (2012), "India represents world's 12th largest consumer market" FMCG Industry in India is worth more than approximately ₹ 832 billion. So it is fourth largest sector of the Indian economy. According to Mckinsey Global Institute report (2007), "The Bird of Gold: The rise of India's Consumer Market", predicts that by 2025 India will become world's fifth largest consumer market.

After liberalization in India, Indian market has witnessed phenomenal growth. The government has always been proactive in its strategies to make the future of Indian market lucrative and attractive. The industries are of different types and markets can be of different types as urban, sub- urban and rural markets. The rural market is very wide in India. Now many transport facilities are available but still it is difficult to cover the whole area. Approx 70% of Indian population is living in rural areas. It is a big opportunity for companies in Indian markets including FMCG sector for the companies in Indian markets. FMCG sector is the fourth largest sector in the Indian economy and creates employment for more than 3 million people in downstream activities (Solomon 1995).

2.1.5. Rising Urbanization

India has 70% of its population living in rural areas. Due to rising urbanization, more people will have exposure to modern products and brands and their tendency will shift to branded and packaged goods and products.

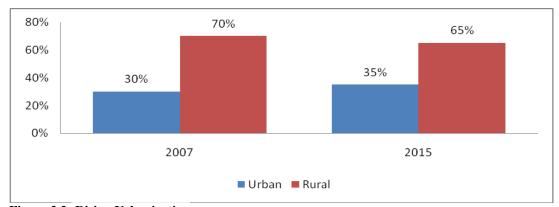


Figure 2.2: Rising Urbanization

(Source: Federation of Indian Chambers of Commerce and Industry (2009), http://ficci.in/)

By 2015, an additional 7.50 crore consumers moved into cities, not only buying FMCG products for themselves but also acting as pipeline for information and goods to their families still in rural India.

2.1.6. FMCG in Urban Area

In India, urban sector represents 67 percent of total FMCG sector. And growth of urban market was at 8 percent in 2013. Total market size of urban market is approximately ₹ 1900 billion. Urban consumers will continue to be affected by the macroeconomic environment.

Urban consumers are looking to actively improve their lifestyles and provide their families health and wellness. According to Nielsen survey report, 'In the year 2013, among the emerging categories were health and wellness focused categories like olive oils (36% value growth), milk foods (19%), sugar substitutes (19%) and breakfast cereals (14%).

Indian urban consumers have access to over 800 TV channels and are inundated by over 3000 messages a day across online and offline media. The more than 5 crore smart phone users have access to content on their fingertips. In urban India, 17% of consumers have a smart phone. Up to 41percent of online FMCG consumers access the internet as part of their pre purchase ritual.

2.1.7. FMCG in Rural Area

Rural marketing is a very wider term in itself. It is the marketing which is specially meant for the rural people and the products. Villages are the heart of Indian markets where farm products and other products are produced. Later, these products are sent to targeted consumer markets like shopping centers, super markets. Huge size of Indian rural market a big opportunity that companies cannot ignore. India is a country with more than 125 crore people of which 70% live in rural areas which means more than 85 crore people live in around 6,00,000 villages (Sharif 2011). The government of India designs a new road map for the development of Indian agricultural sector that will facilitate growth of rural FMCG industry. Indian government's decision to waive off loan (Union Budget 2008-2009) of 60,000 crore rupees would help for better crop production in India. Growth will come from rural inhabitants that are expected to see increase in more

spendable incomes due to the direct cash transfer scheme. Several companies are trying to reach out to rural consumers and exploring alternative cost effective channels. Direct selling through company delivery vans focuses on setting up of temporary stalls in Rural Fair / Haat Bazar. BPCL specially designed vehicle moved from village to village to fill cylinders on the spot.

2.1.8. Market Share of Urban and Rural Market in India

According to India Brand Equity Foundation (IBEF, July 2017), in India, with the special references to FMCG market, Urban market accounts approx 60 percent and rural market size is 40 percent to the overall revenue generated by the FMCG sector in India. Urban market growth rate is 8 percent while rural market growth is more than that of urban market, at 12.2 percent.

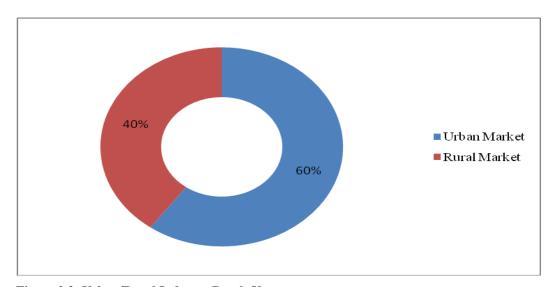


Figure 2.3: Urban/Rural Industry Break-Up

(Source: India Brand Equity Foundation (2016), https://www.ibef.org/industry/urban-market-india.aspx)

2.1.9. Major Players of FMCG in India

Major Players in this sector include Dabur India, Nestle India, GCMMF (AMUL), Britannia Industries, Asian Paints (India), Proctor & Gamble Hygiene and Health Care, Hindustan Unilever Ltd., ITC (Indian Tobacco Company), Marico Industries, Nirma, Coca-Cola, Pepsi, Cadbury India and a new emerging player in Indian FMCG market 'Patanjali Ayurved' with the value of approximately ₹ 30

billion in 2015-2016. Analysis by ASSOCHAM, Hindustan Unilever Ltd and Dabur India derived half of their sales from rural India. Colgate Palmolive India and Marico constitutes nearly 37% respectively, however Nestle India Ltd and GSK Consumer originated 25 per cent of sales from rural India, (Singh 2014).

FMCG Companies Operating in India

Companies		Electronics Brand in India	FMCG Retail Outlets
		III IIIQIA	Operating in India
Britannia	ITC	LG	Food world
Procter & Gamble	Heinz	Samsung	Subhiksha
Coca-Cola	Reckitt	Nokia	Landmark
	Benckiser		
PepsiCo	Nestle	Motorola	Health & Glow
Wilkinson	Unilever	Sony	Shahnaz Hussain
Lakme	Tata Tea	Videocon	Samsung
Amul	Marico	Panasonic	
Dabur		Philips	
Kissan		Canon	
Parle			

Table 2.2: FMCG Companies Operating in India

{Source: Nagarajan G. and Sheriff J. Khaja (2013), "Emerging challenges and prospects of FMCG product development in India", International journal of marketing, financial services & management research, vol.2, no. 1, ISSN 2277-3622)

2.1.10. Impacts of FMCG Sector in India

All sectors are helping in the growth of economy at their level. According to Federation of Indian Chambers of Commerce and Industry (FICCI), FMCG is also contributing on a very large scale to the growth and development of Indian economy and social development. FMCG sector is helping in the following areas.

- (a) Employment- India has a big market of "Kirana Shops". Approx 90 lakh retail shops are Kirana Shops. Thus this sector provides livelihood to 1.30 crore people.
- (b) Social Contribution- This sector helps to create employment for those people who have low educational qualifications. It encourages many to set up their Kirana shops. Apart from this, some FMCG companies undertake specific project for development like ITC e-choupal, HUL Shakti Amma Network, Hariyaali Kisaan (DCM Shriram).
- **(c) Generate Tax Revenue** FMCG sector is India's fourth largest sector and contain approximately 4.5 percent of GDP. So it generates a huge amount of tax revenue by direct or indirect taxes.

2.1.11. Challenges in FMCG Sector

Federation of Indian Chambers of Commerce and Industry (FICCI) also explained that in FMCG sector faces many issues and challenges. A few challenges faced by FMCG sector players in India are as follows.

- (a) Tax Structure- Complicated tax structure, high indirect tax, lack of uniformity, entry tax, high octroi and changing tax policies.
- **(b) Infrastructural Bottlenecks** Agriculture infrastructure, power cost, transportation infrastructure and cost of infrastructure.
- (c) Cyclical of Rural Demand- In India, rural demand is cyclic in nature and it totally depends on monsoons or weather conditions.
- (d) Low Export Level- High demand is raised by product quality and price. Many products do not fulfill foreign desire or their terms. So it creates low export of FMCG products.
- (e) Counterfeits Manufacturers take advantage of the lack of literacy of consumers. According to research agency AC Nielson, FMCG Industry ended up losing approximately 15% of its revenue around 2500 crore.
- **(f) Emergence Competitor** The biggest fear is facing the competition of the same competitor.
- (g) Regulatory Constraints There is a requirement for multiplicity of permits and licenses. The Indian labor laws were drafted in the 1940s and

take no note of modern manufacturing methods and strategies. Obtaining of manufacturing licenses is a long and complex process. Generally it takes approximately one year to get multiple licenses and to set up a manufacturing unit. Reservation of jobs for employees creates many problems. Export procedures are very complex and lengthy.

(h) Price of Inputs- Due to weather condition raw material prices fluctuate, it becomes difficult to finalize price of the product. Indian consumers are more price-sensitive and value conscious, making it difficult for FMCG firms to pass on the increased costs, leading to depressed margins.

2.1.12. Opportunities in FMCG Sector

- (a) Large Market- India has second largest population in the world, approx 1.20 billion. According to estimates India will surpass china population in 2025 and become world's largest populated country. FMCG industry is directly related to population. But we have to maintain proper growth in this sector.
- **(b) Huge Rural Market-** In India, more than 70% population lives in villages and covers approx 50% of FMCG market.
- (c) Low Cost of Labour- India has one more advantage that is low labour cost. It helps to present product at low cost rather than in other countries.
- (d) Increase in Income Level- In India income level of consumer is growing and it helps in enhancing the purchasing power. So consumer is more demanding for FMCG products.
- **(e)** Large Young Generation- India has a big pool of young generation. They are moving to change their life style and becoming more materialistic.

2.2. Consumer Buying Behavior

In present scenario, study of consumer behavior has become the most important factor for marketers and manufacturers. Present days consumers are kings of markets. No business organization can run without consumers. All the activities of the business are focused on consumers and consumer satisfaction. Buying decisions are taken according to the buying behaviour and activity of people

involved in buying and using products. For marketers, consumer behaviour is the most important part in marketing. The study of consumer behavior helps the marketer to understand consumers thinking, feeling and selection from alternatives products, brands and how the consumers are influenced by their environment, reference groups, family, and salespersons, reference groups and others. In the words of Solomon (1995), "Consumer is the study of the processes involved when individuals or groups select, purchase, use, or dispose of products, services, ideas, or experiences to satisfy needs and desires".

2.2.1. Factors of Consumer Buying Behaviour

The main purpose of companies is maximizing market share and profit of their products. Making of marketing strategies is very difficult as it is affected by many factors related to consumer behavior. Here are described four main factors which affect consumer behavior.

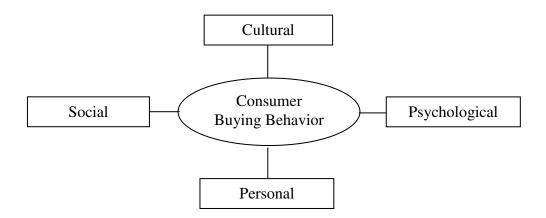


Figure 2.4: Factors of Consumer Buying Behaviour

(Source: Rani P. (2014), "Factors influencing consumer behavior", Excellent Publishers, int. J. Curr. Aca. Rev. 2014;2(9): 52-61)

(a) Cultural Factors

Cultural, sub cultural and social class is very important factor in purchasing decision. These factors affect consumer buying behavior

 Cultural- Cultural factors have a lot of importance when it comes to understanding the needs and behaviors of an individual. Generally, culture is the part of every society. An individual is influenced by various factors (family, friends, society, cultural environment) that will teach him values, preferences. For a brand, it is important to understand the cultural factors. Understanding of cultural factors is also useful for adapting its marketing strategy. Culture influences on buying behavior may be different in different country therefore manufacturers and marketers have to be aware in analyzing the culture factors in different groups, areas and countries. Many companies are using marketing strategies considering the cultural behavior of consumers. For example, so many foreign brands, like KFC has been moving its strategy according to local preferences in India. It would appear that KFC, synonymous with chicken across the world, becomes 'veg products' in India. Not only KFC's is moving to introduce vegetarian products but also KFC competitor McDonald's is too using this strategy. McDonald's is offering veggie items such as McAloo Tikki Burger, McVeggie and others.

- Sub-Cultures Society is a bucket of several subcultures in which people can identify themselves. This subculture may be based on various factors (religions, geographic regions, nationalities, racial groups). Marketers are using these groups as a segment in different markets. So marketers can design various products according to the needs of a focused group. For example, Horlicks a famous brand in India for health and nutrition supplement, is now targeting different age and gender group like Junior Horlicks, Women Horlicks, Mothers Horlicks etc. Other famous brand Emami beauty cream is also targeting their customer according to gender like fair & lovely for women and fair and handsome for men.
- Social Class is defined as a heterogeneous or very less homogeneous group in a country, region or geographical area or in society. This class is determined by income, wealth, lifestyle, education. Consumer buying behavior may be change as per the social class. Consumers, who belong to lower classes, are more aware for pricing of product. While those consumers who belong to high classes are focused on product quality. Price does not affect on them. For example car makers, launch their product according to the class of customers.

(b) Social Factors

Social factors influence others on consumer purchase decisions which may be either indirect or direct. These factors are family, social roles and status and reference groups. Social factors are among the factors influencing consumer behavior significantly.

- Family Family is one of strong factors which can highly impact the consumer of his/her purchasing decision. Family is the most influencing factor for an individual. So marketers are trying to find out the roles and influence factors. In Indian scenario we perceive that father, mother or any elder person in family take decision for their children. Consumers accept this family decision as a mutual consent.
- References Group Reference groups are related to its social origin, age, place of residence, work, hobbies, leisure, etc. Several role have been identified of Consumer buying behavior Initiator is a person who suggests buying a product or service. Influencer is a person whose advice will influence the buying decision on whom group members rely on. Decision-maker: who select that which product to be purchase. Normally it is the consumer but in many times it may be another person. For example, a leader of a group decides to purchase the same dress for their group. Buyer: this is an individual or group who purchase the product.
- Social Roles and Status Every person has a different status in society position within his family, work, country club and group of relatives etc. for example a celebrity or a famous person does not fit with small and inexpensive cars like Maruti Suzuki Alto as he would be taken less seriously by its followers or customers than if he is driving a luxury car. This type of behaviors and can be found at every level and role and social status.

(C) Personal Factors

These factors also affect consumer behavior. Personal factors that influence the consumer buying behavior. Such factors are following- age and life cycle, occupation, economic situation, personality, lifestyle, and self concept.

- Age and Life Cycle- It has positive impact on the consumer buying behaviour. The age of consumers determines by the type of clothes, music, food and other activity which he/she likes. Different age group people don't buy the same products or services. These stages of life cycle are young singles, married couples, unmarried couples etc. It helps marketers to develop suitable products for each stage. For a manufacturer or shopkeeper has to identify, understand, measure and analyze what are the criteria and personal factors that influence the shopping behavior of his customers. For example, it is quite possible that two consumers of different cities do not have the same behavior and purchasing habits. A manufacturer or retailer must have a deep understanding of these differences to increase sales.
- Occupation- Occupation is one of the significant impacts on the consumer
 for his buying behavior. For example a manager of MNC will try to
 purchase business suits while a low level worker in the same area will
 purchase normal work clothes.
- **Economic Situation-** Economic situation may put high impact on consumer's behaviour. If a customer is economic condition is good, he can purchase expensive products. While a person whose economic condition is not good, he will prefer cheaper products.
- **Personality-** This is the most crucial factor which can change from one person to another person, time and place. It can greatly influence the buying behavior of customers. According to Kotler et al., (2009), Personality is a set of differentiating psychological characteristics that lead to relatively consistent a long lasting response to environmental stimuli.
- **Lifestyle-** An important factor consumer buying behavior is lifestyle. It is refers to expression of a person by the things in his/her atmosphere. This is determined by interests of consumers, activities, idea etc.

• **Self Concept-** Individuals have a specific perception and image of themselves. This self concept or self image is closely connected to the personality of the product or service patronized by him. Each individual's self image will be unique based on his/ her background and experience and knowledge. This knowledge is gained from various persons over a long period.

(d) Psychological Factors

Psychological factors are internal to an individual and generate forces that influence consumer/ buyer buying behavior. It affect our purchase decision including - Motivation, perception, learning, beliefs and attitudes.

- Motivation A person has many needs at different times, some basic needs are air, water, cloth, food and shelter for living a life. A motive is a need that is sufficiently pressing the drive in a person to act (Kotler 2008).
 Consumers at any particular time are generally influenced by a set of motives rather than just one motive.
- Perception Perception is a very important factor that influences consumer buying decision. This is a process by which people select, organize and interpret information in the mind. Perception is a situation where in a given time how the person will act. There are three different perceptual processes are selective attention, selective distortion and selective retention. Selective attention is a process by which marketer tries to attract the customer attention. Selective distortion leads people to interpret situations in order to make them consistent with their beliefs and values. Selective retention refers to the marketers trying to retain information that supports their beliefs (Asifo Shah, 2010). Two persons perception may different because each individual have a different perception based on his experience, state of mind, beliefs and attitudes.
- **Learning-** This is viewed as a relatively permanent change in behaviour occurring as a result of information and experience. As per Schiffman and Lazar (1987), this is a process by which a person acquires consumption and purchase knowledge, and experience they apply to future related behavior. For example- If we get a bad effect after drinking cold drinks,

we have a negative experience. We learn that we should not drink cold drinks. Therefore, we don't buy cold drinks in future. Consumer behavior is affected by external and internal influences. External influence includes cultural and social factors, while internal influences include consumption choice such as age choice etc.

Beliefs and Attitudes- Customers have distinct beliefs and attitudes
towards various products. These beliefs and attitudes make up brand
image and affect consumer buying behavior. So marketers are interested in
this belief and attitudes. Marketers can change the beliefs and attitudes of
customers by launching special campaigns.

2.2.2. Buying Participants

It is a very difficult task for marketers to identify actual buyers who make final decision of buying. Marketers have to identify their targeted customers to make a good strategic plan. Active buying participant are-

- (a) **Influencer-** Many people are connected with product purchase decision. But they all are not consumers. So influencer is a last decision making person, whose advice is important at the time of product purchasing.
- **(b) Initiator-** First person, who thinks of purchasing or buying product and service.
- **(c) Gatekeepers-** Those who give recommendation and information about a particular product and service. They could be friends, family members and others.
- (d) **Decider-** Actual persons who take decision about the product or service, what to buy, where to buy, how to buy it.
- (e) **Buyer-** A person who pays amount for purchasing a product or service.
- (f) User- User is a final person who consumes the product or service.

2.2.3. Consumer Buying Decision Process

Behaviour of consumers towards products and services may be different. It is a very complex process for marketers to understand consumer's needs. Final goal of marketers is customer's satisfaction, so marketer main work is to develop product

and service according to customers need and satisfaction. The theories of consumer decision making process assume that the consumer's buying decision process depends on the steps through which the buyer passes in purchasing a product and service. It may be possible that some steps are not involved in this process but generally, when a customer purchases any product, he goes through a decision process.

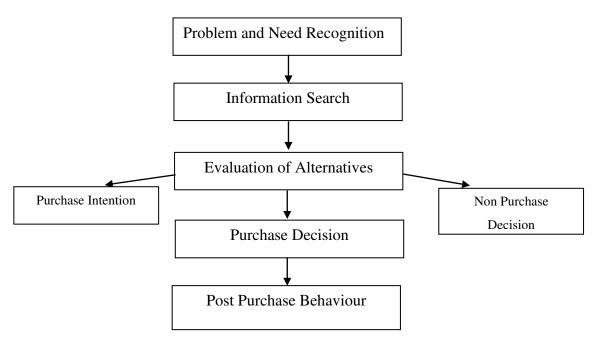


Figure 2.5: Consumer Buying Decision Process

(Source: Maria (2009), "The buying decision process and types of buying decision behavior", Sibiu Alma Mater University Journals, Series A. Economic Sciences – Volume 2, No. 4)

Consumer Buying Decision process is a sequential process and based on consumer desires and on further action towards a product or service. The process of consumer buyer decision as given below:

(a) Stage 1: Problem and Need Recognition

This process starts when buyer becomes aware of an unsatisfied need or problem. This problem and need can come up with internal as well as external stimuli. This is a result when buyer recognizes a difference between perceived benefits and actual benefits derived from a product or service. Internal stimuli may be hunger thirst etc. External stimuli may be from outside environment that makes impact on

you to 'do' something. For example, when a new mobile is launched in the market or there is a commercial advertisement, buyers try to buy it. According to Kotler et al. (2009), sometimes many advertisers try to create a new or different kind of need and problems for consumers to initiate the decision making process. This situation can be created to make customer unhappy with his current status. Marketers can develop this situation by gathering information from consumers.

(b) Stage 2: Information Search

After recognizing the existence of unsatisfied need the next stage is information search and identification of alternatives. Information is to know about a service, prices, stores and other things. After having a particular problem or need, a consumer's second step is how to resolve it. Generally there are two types of information search, first is heightened attention and second is active information. A consumer simply becomes more observant for information, advertisement, purchase by friend and conversation about the subject in question. Asch and Wolfe (2001), describe four types of consumer information source which arepersonal source, commercial source, experiential source and public source. Generally consumers get maximum information through commercial source which includes advertisements, display etc. Each source may have a different purpose in affecting buying behavior. Marketers should identify this information source which helps to prepare effective marketing communication to targeted consumers.

(c) Stage 3: Evaluation of Alternatives

After gathering information on any occurred problem a consumer must evaluate the alternatives which are available. This is a buyer activity to compare alternatives cautiously on the basis of certain criteria. Sometimes it is a very hard decision to select from alternatives, because there are many at the same time.

(d) Stage 4: Purchase Decision

The fourth stage of the consumer decision-making process is purchase decision. This decision is the result of evaluation, and involves the process of selecting the most desirable alternative from a set of options. This is the stage when the consumer prefers the most promising brand to many brands that a consumer has

generated. The most suitable choice is the one that comes closest to the evaluation criteria formulated by the consumer. The most attractive brand, that can offer more benefits in relation to price paid, is selected by comparing one brand with the others. Purchase decision involves many sub decisions which are: brand decision, vendor decision, quantitative decision, time decision and payment decision.

(e) Stage 5: Post Purchase Behaviour

Post purchase behaviour of customer/ consumer is a very important factor. The term "Post Purchase Behaviour" refers to customer/consumer behaviour exhibited after the purchase decision. Consumer experiences a level of satisfaction or dissatisfaction after purchasing any product. This satisfaction or dissatisfaction level is very important for marketers to get feedback about the product. This satisfaction level is a function of the closeness between buyer's expectation and product performance (Priscilla and Mazursky, 1983). If a consumer is satisfied with these products, there will be higher probability of purchasing the same product. And if he feels dissatisfied with the product, he will not purchase the same product next time. This phenomenon is called cognitive dissonance. This phenomenon helps to attract users and to their brands.

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<u>Chapter – Three</u>

Review of Literature

Chapter - Three

Review of Literature

3.1. Introduction

Relevant literature study is very useful in understanding the research problems. This is useful to get what research exploration others have done; how they have dealt with the related research problems. It is an explanation of the literature relevant to a specific topic or field. It creates a picture about what has been said by others, what are the current theories and hypotheses, what questions are being asked and in which form they are appropriate.

Literature review is a written by someone to reflect on the points of current knowledge. The researcher has used a lot of knowledge of other authors, findings and conclusions, which is relevant to the research work. These findings and conclusions were collected from various sources.

This section covers all related written topics like books, newspaper article, journals, historic report, old thesis, and electronic or other published or non published data.

Following are the main purposes of using review of literature:

- It gives meaningfulness and importance in research work.
- It provides a way for future research work.
- Literature of review helps in understanding the variables which are used in research work.
- It also describes contradiction and gap in particular topics or research work.

3.2. Research Gap

In this research the researcher conducted suitable research which covers and fills the gap in the review of literature. This study introduces the literature of celebrity impact on consumers especially in FMCG goods. Most of the previous researches on the impact of celebrities through advertisement were focused on celebrity positive effect on consumers/ customers but there has been limited research in the

area of FMCG sector especially to consumer desires and marketing strategies, trustworthiness of celebrity and satisfaction level towards FMCG products. Most of the researchers have focused on the traditional marketing mix concept and ignored closely impact of recommendation aspect while formulating the marketing plans. This study focus on consumers desires in advertisements and consumer behaviour in purchase of FMCG products to fill this gap.

Previous Researches/ Literatures

- Usability of celebrity endorsement in product(s) introduction/information
- Positiveness of celebrity appearance in promotion of FMCG product(s)
- Importance of the relationship between the characteristics of the celebrity and the qualities of the FMCG product(s).

Research Gap

- Credibility of celebrity endorsement to promote FMCG product(s)
- Negative impact on celebrity image after promotion of misleading advertisements
- Viewers connectivity with advertisements by electronic/ print/ other media of advertising
- Lack of implication of ethics in celebrity endorsement advertising to FMCG product(s)
- Neglect importance of recommendations factor in previous researches.

Desired

- Level of trustworthiness of celebrity statement to support FMCG product endorsements
- Formulation, implication and evaluation of ethical strategies for avoiding misleading advertisements endorsed by celebrity especially FMCG products
- Satisfaction level of consumers towards
 FMCG products as endorsed by celebrity
- Importance of other factors of marketing, except celebrity endorsements.

Figure 3.1: Research Gap Model of the Study (Source: Field survey)

3.3. Study of Previous Researches

• Jain V. (2011), in his dissertation "Celebrity Endorsement And Its Impact On Sales: A Research Analysis Carried Out In India" focuses on examining the perception of these Indian Consumers about the celebrity endorsement process and the subsequent impact on their purchase decisions. Indians assume and search for their idols in many bollywood actors/actress and cricketers. The advertisers see this perception of people as big opportunities to grab and work on so as to expand and promote their

product. This study implies that Celebrity Endorsement has an impact on sales only to a small extent and that Celebrities should not always be used to endorse brands of various products. Although, this study has a positive inclination towards the belief that people are motivated to buy products as a result of celebrity endorsement. Moreover the respondents also strongly agree that celebrities bring brand equity. This research also indicates that celebrity endorsement helps in brand promotion. Finally he concludes that there is no harm in using celebrities for the endorsements. *In researcher study, researcher observed that many people assume celebrity endorsement is useful for introduction of new product. In Indian context, where people like celebrity's style and want to become like them, so advertisers use this strategy for selling their product(s).*

Stonkiene E., Banyte J. and Piligrimiene Z. (2011), in their study in "Selecting Celebrities In Advertising: The Case Of Lithuanian Sports Celebrity In Non Sport Product Advertisement" Seeks to explore the stages of the whole process of celebrity selection by drawing together strands from the literature. Celebrity endorsement is a prevailing advertising technique. The study is based on these questions, 1 How to select the right celebrity. 2 How to avoid the potential pitfalls with the celebrity endorsement. As a result of these efforts, they present "conceptual three-stage model" for selection of celebrity endorsers. The first stage involves identification of the possibility of using the celebrity endorsement (meaning transfer, product differentiation level, consumer involvement level, questions of brand positioning and repositioning, introduction of new brand, entering global campaigns and others). The **second stage** involves an evaluation of celebrity's suitability for product / brand endorsement (celebrity selection, like audience match up, brand match up, attractiveness, respect, familiarity, trustworthiness, expertise, and liking). The third stage covers the assessment of possible risks, related to the use of celebrity endorser. The model involves not only the celebrity selection criteria, but also identification of possibility for using

celebrity endorsement and evaluation of potential risks related to the endorser. Another purpose of this paper was to explore the consumer's perspective on celebrity endorsement. In present scenario these three stages help to select suitable celebrity for a particular product, like in Pepsi advertisement, they show young generation is more advanced rather than aged people. Young generation prefers to use some of these products (Coca Cola, Pepsi, Perfume/Deodorant) for style and symbol.

Sahay A. and Abhishek (2013), in their paper "Role Of Culture In Celebrity Endorsement: Brand Endorsement By Celebrities In Indian Context" Culture has long been believed to be the force that influences people in a society to follow the norms of their collective identity. The purpose of this paper was to review and synthesize the literature on celebrity endorsements in the light of widely differing practices in nature and quantity of use of the phenomena between developed and emerging markets and to develop a set of propositions that explain the difference using the lens of culture. This paper contributes to the notion of congruence between the celebrity and the consumer as a driver of effectiveness of celebrity endorsements and by offering propositions using the dimensions of culture (like individualism-collectivism, power distance and long term orientation) to suggest ways in which this congruence manifests itself. Mc Donald present different menus in different countries, in America, pork and beef are the common in their menu, while in India, Mc Donald selected vegetarian dishes in their menu. And both vegetarian and non vegetarian items separate cooking is done. Coca cola also shows an advertisement that glorifies hospitality. For example the advertisement of Coke featuring Deepika Padukone sitting at a guest's home and shamelessly consuming a bottle of Coke without paying much attention to the host. In Indian culture such a thing is practically not acceptable and not welcomed. So these types of advertisements look unrealistic and unacceptable.

- **Rosca V.** (2010), in this study "Celebrity Endorsement In Advertising" aims to study the particularities of tennis endorsements using the case of Roger Federer, one of the best tennis players in history and one of the best business partners in the world of sports for sponsoring companies. Endorsement is the most profitable income source for professional athletes. In tennis, where athletes are individuals, not playing or contributing for teams or clubs, endorsement is the main sponsoring possibility of a player. For some professional tennis players, endorsement deals are an important income source. Endorsements help the athletes gain more money and mostly build them as a positive brand image. In my study, where many respondents choose athlete person and sports persons for endorsement products. Endorsement is the main source of earning of any celebrity for an example after cricket world cup 2011, Mahendra Singh Dhoni emerging India's biggest celebrity, made an unprecedented \$2.65 crore. Only a small portion of that payout, about \$35lakh, comes directly from Dhoni's on-field play (Article published on 26 july, 2012 in Forbes).
- Okorie N., Oyedepo T. and Akhidenor G. (2012), in their paper in "The Dysfunctional and Functional Effect of Celebrity Endorsement on Brand Patronage" say that use of celebrity endorsement as a functional approach in brand communication becomes successful when the organization has invested in planning, research and brand monitoring. Also, the use of celebrity endorsement must be accompanied by a powerful idea, effective and impeccable positioning to promote the brand in an excellent light. In an advertisement of Zandu Pure Honey, Featuring with Sakshi Tanwar, she ensures us 'No Added Sugar Honey' which we can test. It is purest honey that has been scientifically tested and also proof for the same that we can check. Sakshi Tanwar shows barcode in this advertisement, which is a proof of safety assurance of Zandu Pure Honey.

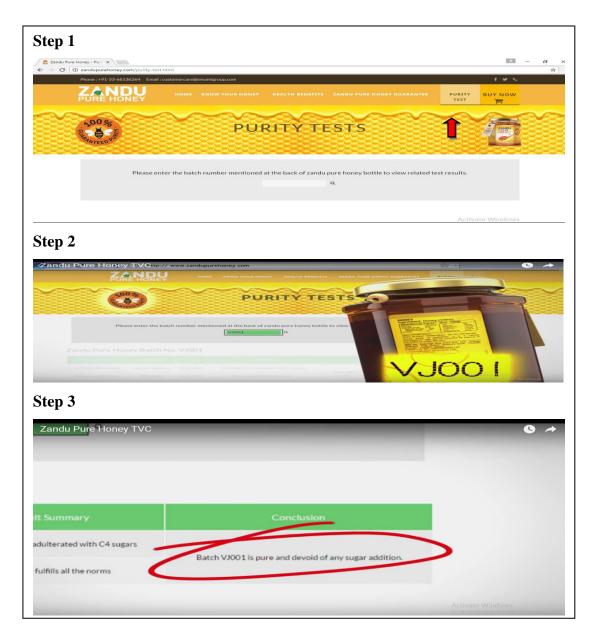


Image 3.1: Zandu Honey Purity Test

(Source: Adopted from www.youtube.com, modified by researcher)

• Mukherjee D. (2009), the paper, "Impact of Celebrity Endorsements on Brand Image" explores the foundation of the impact of celebrity endorsement. Celebrity endorsement is always a two edged blade, First if properly matched it can do wonders for the company and Second if not it may produce a bad image of the company and its brand. This paper uses a wide range of accepted principles of how consumers brand attitudes and

preferences can be influenced, how buyer's behavior can be influenced and moulded. His study also shows that consumers report higher self-brand connections for brands with images that are consistent with the image of a celebrity that they aspire to be like, particularly in the case when the image of the celebrity and the brand match. The study also examines how selfbrand connections are formed. In the case of aspirational celebrities, the positive effect of image congruency is stronger for those brands that are perceived to communicate something symbolic about the brand's user compared to those brands that do not. In his study, he found an important demonstration that consumers are motivated by self-needs to utilize brand associations derived from celebrity endorsement in a contingent fashion to construct and present their self-identities. Many celebrities are useful for a particular product. On other hand, if celebrity does not match the brand image than it may demolish product's attraction. For example-Saina Nehwal promotes Top Raman noodle. Saina Nehwal is a very popular sports person and Badminton champion while noodles are a kind of junk food. Instant noodles contain saturated fats which if consumed excessively or regularly can raise the level of cholesterol in the blood and also cause risk for diabetes. According to Dr. Sunil Sharma (General Physician and Head of Emergency, Madan Mohan Malviya Hopsital, New Delhi) "In most cases Monosodium Glutamate (MSG) as well as tertiary-butyl hydroquinone (TBHQ) a chemical preservative derived from the petroleum industry may be present in instant noodles for their taste enhancing and preserving properties". As published by Washington Post, South Korean study conducted on the effects of instant noodles on human health. "Although instant noodles is a convenient and delicious food, there could be an increased risk for metabolic syndrome given high sodium, unhealthy saturated fat and glycemic loads", So these type of noodles or junk food are non-healthier products. So junk food does not matched with Saina Nehwal's personality as a sport person. Instead of this junk food she should rather promote energy drink or other healthier products which are good for

health and fitness. In another advertisement she promotes Egg in NECC (National Egg Co-ordination committee), which is a rich source of protein and good for human body.



Image 3.2: Saina Nehwal promoting Top Raman and NECC

(Source: Image adopted from www.google.com)

• Muruganantham G. and Kaliyamoorthy S. (2005), in their research paper on "Celebrity Effect on Brand Positioning: A Study With Reference To Female Personal Care Products" they studied the effect of celebrity endorsements on the brand positioning of selected female personal care products through television advertisements. Successful positioning

depends on communicating the brand's differential advantages effectively. Therefore all of the advertising efforts and other forms of promotions should attempt to communicate the brand's position to consumers. For example the advertisement of "Veet hair removing cream" is specially made for women.

- Clinton A., Holmes G. and Strutton D. (2008), in their paper on "Exploring The Relationship Between Celebrity Endorser Effects And Advertising Effectiveness A Quantitative Synthesis Of Effect Size" they provide a quantitative summary of the relationship between celebrity endorser source effects and effectiveness in advertising. Celebrity attractiveness, trustworthiness and expertise appears to capture the three most influential source effects on purchase intentions, brand attitudes and attitudes towards the advertisement. Results suggest that negative celebrity information can be extremely detrimental to an advertising campaign. The effectiveness of celebrity endorsements is subject to reduction by advertising clutter, selective attention, and the time available to identify and evaluate the advertisement.
- Chiosa (2012), the paper, "Celebrity Endorsement Strategy" find brands often use celebrities to get impact, because they are seen by the public as credible source of information about product or company. Celebrity endorsement becomes one of the most famous and used communication strategies in marketing to build combination between brand image and consumers. This paper also presents types, techniques and models of analysing celebrities' efficiency in endorsing brands/products. These endorsement techniques are Print ads in magazines, TV commercials, products used in films and television programs, photos of celebrities paid to use certain brand products, inviting celebrities to be co-creators in product design, naming the products after the name of celebrities. (Kapil Palmolive Dev and Jammy Dravid). This review was performed to provide a deeper understanding of celebrity influence and consumer behavior.

- Francis D. and Yazdanifard R. (2013), in their study on "The Impact of Celebrity Endorsement and its Influence Through Different Scopes On The Retailing Business Across United States and Asia" they notice Celebrity endorsements have been one of the key marketing strategies that a retail company has done. In their research paper, they looked into the retail brand perception and the customer satisfaction after applying the celebrity endorsement model. Readers can understand the similarities and the differences in the endorsements based on the Asian and American cultures. This research focused on case studies and cross-cultural comparisons from the American perspective and the Asian perspective, most notably South Korea, Japan, India and the Middle East. In the 21st century, celebrities are seen as global icons and a symbol of power and status. Celebrity endorsement in the United States contribute to about 20% of television, where as in India, celebrities are worshipped as "idols". They conclude, celebrity endorsement can be a truly profitable advertisement for retail companies to fully harness. It realizes that the brand should be bigger than the celebrity. Because it will overshadow the product. And it defeats the purpose of brand awareness. Finally they explain that the endorsement strategy should be based on the current season and trends, in other words, "strike it when the iron's hot".
- According to **Zipporah M. and Mberia H.** (2014), in their paper "The Effects OF Celebrity Endorsement in Advertisements", celebrities are very well known among peoples by their credibility and their attractiveness. Marketers use the attributes of celebrities to influences purchasing decision of consumers. The main purpose of their study is to test the effect of celebrity endorsement in advertisement on consumers' perceptions of the endorsed brand or products. If celebrity endorsement is used effectively, it makes the brand outstanding. Sometimes celebrity endorsement in advertisement has negative impacted the audience in the society. For example- a large numbers of viewers have change their living

standard as per the set cultural standards of the society. In an advertisement, celebrity appearance, credibility and knowledge of the celebrity are also highly correlated with advertising trustworthiness. In their study they suggested that in order to have businesses and organizations thrive well in the market they need to choose the right marketing channels, media and celebrities to use so as to make the communication effective.

- Atay E. (2011), in his study on "Celebrity Endorsements and Advertising Effectiveness: The Importance of Value Congruence", says that millions of dollars are spent on celebrity contracts each year by assuming that the benefits of using celebrities will exceed the costs. The author has explained that value congruence with unfamiliar celebrities was more effective than value congruence with familiar celebrities for generating more favourable attitudes towards advertisement and brand. The author also suggested that the congruence is an important in advertising effectiveness. According to the author, low cost celebrities are also successful in generating positive outcomes. Companies with low advertising budgets preferred low cost celebrities because they will probably charge less than well known celebrities.
- Makumbura U. (2015), in his study "The Power of Celebrity Endorsements Today", he believed that celebrity endorsements are longstanding agreements. In modern era, changes in celebrity culture have forced both sides to become more flexible in their approach. As per the author, celebrity's attributes can transfer to a product with use of the celebrity endorsement, but as soon as the relationship ends between brand and celebrity this connection is also finished. Besides, celebrity endorsement provides the boost to a company which needs it at the time of launch, relaunch and repositioning of its products. It is helpful in entering the market with immediate brand value. The increase of social media in particular has created a vastly improved scope for celebrity endorsement tactics.

- Kumar V. and Hunda B. S. (2015), in their study on "Customer Perception towards Celebrity Endorsement", say that celebrity endorsement has become very popular element in the advertisement nowadays. The purpose of their research paper is to explore customer perception towards celebrity endorsement. Authors describe nine factors are following- attractiveness, trustworthiness, physical appearance, popularity, image/goodwill, aspiration, reliability, negative role of celebrity and brand for good results. In their study, they find that consumer buying behaviour is positively affected by the product as compared to celebrity endorsement. They were also concluded that attractiveness of a celebrity endorsing a particular product strongly influences a customer perception and this impact of products more positive on the customer buying decision.
- Makwana K., Pathak A. and Maheshkar C. (2015), in their study on "Impact of Celebrity Endorsement on Branding of FMCG Products in Indian Small Towns", they described value of information explosion and media power, the advertisement plays a major role in changing customer perception towards brands. It argued in the previous researches that FMCG companies did some mistakes when they entered the rural market. These companies treated rural market as an existing urban market. But the rural Indian consumers' demographic and psychographic variables differ from those of urban consumers. The purpose of their study is to find out the impact of celebrity endorsement on branding of FMCG products in Indian small towns. FMCGs are low involvement products, celebrities do influence consumers towards brands. Rural consumer is different from urban consumers as-lifestyles and other kind of choices they made is also different from those of urban consumers. Therefore the same strategy of celebrity endorsement is not a guarantee of success in both the markets.
- As per the study of Shukre A. and Dugar N. (2013), on "Effect of Celebrity Endorsements on Consumers' Decision-Making Processes: A Study of Television Advertisements for Selected FMCG Products", today

celebrity endorsement is one of the most popular tactics of FMCG advertising. Marketers use celebrity endorsement to help in easy brand recall especially at the time of consumers purchasing situations. The main purpose of his study is to specify the impact of using celebrity endorsers in advertisements on purchase intentions of customers with special references to FMCG products. They concluded from the study that celebrity endorsements are gaining more and more popularity. The authors described some important factors of celebrity endorsement as image, style, attitude, popularity, physical appearance, performance, suitability with the product etc. Marketers should take care of the gender of the celebrities endorsing the product as it is an important factor with regard to the consumer.

- According to Randhawa A. and Khan J. A. (2014), in their study on "Impact of Celebrity Endorsement on Consumer Buying Behaviour", advertising is an effective marketing tool available to marketers to create and promote awareness of their products. It also helps to position their products differently among the minds of their customers. Consumers come in contact with many advertisements every day. Every advertisement is highlighting the features of the respective products. Now days, advertisement is a tricky job, with involvement of huge risk, with the help of celebrity endorsement advertisement plays gamble. In their study authors find that most of the respondents believe that frequent changes in celebrity for advertising the product can change the purchasing decision of customers. The purchase attitude is influenced by the quality of the products rather than endorsement factors, price of the product, discounts and offers etc. A large number of respondents believe that the quality of goods advertised by celebrities may be or may not be good in quality.
- Wang, Cheng and Chu (2012), in their study on "Effect of celebrity endorsements on consumers purchase intentions: Advertising effect and advertising appeals as mediators", they say that advertising has become the most efficient way to provide information to consumers. In their study,

the result shows that celebrity endorsements, advertising appeal and advertising effect significantly and positively impact consumer purchase intensions.

- According to the study of Chaudhary U. and Asthana A. (2015), "Impact of celebrity endorsements on consumer brand loyalty: Does it really matter?" celebrity endorsements now play an important role from the perspective of brand building. Celebrity endorsement increases the effect of a campaign but it must be followed cautiously. Celebrity does not guarantee of product success. And not any expensive or good advertising campaign is guarantee of product success. It is mixture of various combinations of factor, especially the price and other elements that work together for the success of a brand. In present days, consumers have become more aware and well educated; they know celebrities are being paid for these endorsements. This knowledge makes consumers more practical in their judgment about products. The authors concluded that celebrity endorsement does not necessarily influence consumer brand loyalty.
- Sabunwala Z. (2013), in her study on "Impact of Celebrity Brand Endorsements on Brand Image and Product Purchases -A Study for Pune Region of India", celebrity endorsement is the most popular tool of advertising in the current scenario. It is looking as a winning formula for product marketing and brand building. The main purpose of the research was to examine the relationship between celebrity endorsements and brand and study the impact on consumer's buying behaviour in beverage industry in India. She concluded that most of the beverage user associate themselves with the brand and establishes congruence between their personality and brand. Another major conclusion from the study is that celebrity endorsement significantly boosts image.
- According to **Srivastava S.** (2013), in her study on "Factors Affecting Buying Behavior of Consumers in Unauthorized Colonies for FMCG

Products", fast Moving Consumer Goods (FMCG) sector is the fourth largest sector in India touching everybody's life every day. In this era, Indian consumer's profile and mindset is changing according to the new environment. So FMCG sector has a constructive potential in the form of semi urban, urban slums and emerging rural segment. The main purpose of her study is to examine the socio economic factors, followed by product preferences generic or branded under various heads of FMCG product categories, reasons for such preferences followed by factors affecting the buying behaviour. She also finds from her study that the consumers in backward or low economic areas prefer brands rather than a lot of generic products. Such factors have a large impact on buying behaviour as well as promotional offers like reliability, product features and socio economic. She also finds that factors like reliability and product attributes plays a very important role for this low income and price conscious respondents. A lot of money is spent on buying grocery (including FMCG products). Promotions and offers have considerable impact on larger household and young adults. Whenever they are purchasing generic products, they also have aspiration for branded products. But due to their financial circumstances, this does not happen.

- Ericsson L. and Hakansson E. (2005), say that advertisers often use celebrities in advertising because of their famous attributes (beauty, talent, athleticism, power, etc.) that often represents the attractions desired for the brands they endorse.
- According to **Zheyin J. G.** (2005), celebrity endorsement can be used as long-term or short-term strategies. A firm's long-term celebrity endorsement strategy affects its product quality and price. A firm's short-term celebrity endorsement strategy is affected by the market awareness level of its product. Finally, no matter whether for long-term or short-term celebrity endorsement, a firm should use a more popular celebrity endorser

when the information dispersion effect is stronger and when the demand inter correlation effect is weaker.

- **Khatri Puja** (2006), in her paper on "Celebrity Endorsement: A Strategic Promotion Perspective" says that celebrity endorser is a panacea for all marketing woes. It is today a frequently used approach in marketing for all brand building exercises.
- Roozen I. and Claeys C. (2010), in their study on "The Relative Effectiveness of Celebrity Endorsement for Print Advertisement" The experiment shows that celebrity endorsement is not always effective. This result was also found for the advertisements with the endorsement of celebrities who were found to match best with the products at hand.
- Roy Subhadip (2012), in his paper "To Use the Obvious Choice: Investigating the Relative Effectiveness of an Overexposed Celebrity Author" studies whether having an overexposed celebrity in an endorsement would have a more positive impact on consumer attitudes than an underexposed celebrity. Major results suggested that an overexposed celebrity was not more effective than an underexposed celebrity.
- Escalas J. E. and Bettman J. R. (2003), in their study on "Connecting with Celebrities: Celebrity Endorsement, Brand Meaning, and Self-Brand Connections", they find that the celebrity endorsement enhances self-brand connections when consumers aspire to be like the celebrity, but harms them when consumers do not; this effect is more pronounced when the brand image is congruent with the celebrity's image.
- Nagarajan G., Sheriff J. and Khaja (2013), their study on "Emerging Challenges and Prospects of FMCG Product Development in India" focused on some of the fundamental issues relating to the emerging prospects and challenges marketing FMCG products in India.

Fundamental issues of the customer and their expectations involve around three questions 1 What more? 2. What next? 3. What else? When the marketers want to fulfill the customer need and desire they come up with challenges which are new and were unseen in past years. Emerging trends, especially in new product launch of FMCG products, has seen innovations particularly in India.

- Rallabandi Srinivasu (2014), in his study on "Fast Moving Consumer Goods Retail Market, Growth Prospect, Market Overview And Food Inflation In Indian Market An Overview" he has focused on competitive conditions operable in the FMCGs retail trade sector. This study also focused on the analysis of competition within the sector, and draws lessons for competition policy. In India, the retail market is competitive. There are no or fever legal restrictions on entry. Prices across retail formats differ substantially for a market operating on a very low profit margin. However, these differences are likely to stem from cost differences.
- Khan S. and Khan Y. (2012), in their paper on "Rural Marketing & Its Impact on FMCG" effort has been done to know about the rural markets and their impact on FMCG products. The factors responsible for the rural boom, major problems in tapping the rural market, FMCG consumption in rural India through premium brands, focus on urban categories and strategies for selling in rural India has been highlighted through the 4 A's approach. They focused on many factors, which are-Rural India is a huge untapped market and scope for the expansion of FMCG products. The producers have to realize the importance of adopting differential marketing techniques than they use for the urban markets. Rural market is not familiar with some products. There is huge deficiency in the amount of products and services available in the market. Quality and Pricing are the main mantras to success in rural India. And rural population also prefers those products which are available in small packages.

- Celen A., Erdoan T. and Taymaz E. (2005), in their paper on "Fast Moving Consumer Goods Competitive Conditions and Policies" they focused on modern retail formats, like supermarkets and chain stores, which are rapidly wide spread in at least many urban areas. Their study is also focused on the analysis of competitive dynamics (inter-firm rivalry, pricing and non-price policies, barriers to entry, regulatory conditions, etc.) within the sector, and draws lessons for competition policy. The modification of the retail market is a long lasting impact on wholesale trade as well as FMCG's distribution. Many traditional wholesalers have lost their position and markets, because large retailers are purchasing directly from suppliers. Logistics companies are also playing an important role in the distribution of FMCG products. These trends are likely to have a positive impact on product diversity and the quality of products/services offered by retail stores. In Indian context, many chain stores and supermarkets work, like Best price, Metro. We can purchase many FMCG products under one roof.
- Marketing In Rural Sector" he has critically examined the current status of Indian rural marketing in present economic scenario. It focused and analyzed the problems prevailing in the rural marketing. It has also glossed upon the opportunities, rural marketing strategies and problems along with challenges existing in rural marketing. Due to the media explosion and increasing literacy levels, people in rural areas are becoming conscious about their lifestyles and demanding a better life. Increasing disposable income is also a big factor for the rural consumers. They have become more demanding and choosier in their purchase behavior. Unexpected growth of the FMCG industry especially in the level second and level third cities in India is mostly due to the improvement in the standard of living of the people of such cities and the rise in the level of disposable income. Major growth drivers of the FMCG sectors in rural India are Higher incomes, government initiatives for rural development, distribution

networks, awareness and access and FDI Inflow. In Rural marketing, there is less communication mix, so most of the product is known by mouth publicity. Now many FMCGs company are moving to rural markets because there is high potential market for sale. For example SHAKTI project by Hindustan Unilever.

- Gupta R. and Roy R. (2012), in their study on "Ingredient Branding: A Differentiation Strategy For FMCG Companies" they find that FMCG market is seeing a plethora of brands with little or no difference in terms of product offerings. Ingredient branding is a marketing technique which helps companies to build a differentiated brand image for their products. This paper analyses the scope of ingredient branding in creating sustainable differentiation advantage for FMCG companies. In 1991 Intel Corporation applied the Ingredient branding concept and launched Intel inside campaign. Within the first year it resulted in 63% growth in the sales and by the 10th year (2001) Intel was listed as sixth most valuable brand. They also suggest that careful planning must be done before entering into a relationship in order to maximize the benefits of any Ingredient branding strategy. Consumer's quality sensitivity and their ability to evaluate quality must also be considered.
- Jain A. and Sharma M. (2012), in their study on "Brand Awareness and Customer Preferences for FMCG Products in Rural Market: An Empirical Study on the Rural Market of Garhwal Region" The purpose of their study is to examine the brand awareness in rural area and to study the interest of consumers in branded products of Fast Moving Consumer Goods (FMCG). Brand awareness is the scale of familiarity among consumers. It is measured as ratio of niche market that has previous knowledge of brand. The preferences of consumers are explained as the individual tastes, as measured by usefulness of various kinds of products. Those preferences are independent of income and prices. In rural areas, brand awareness is particularly showing an increasing tendency, regarding to beauty care and

health care products. People are not worried about the price of the product. Customers are showing willingness to spend higher price when they realize that they can afford to spend.

- Kishori Jagdish Bhagat (2012), in his paper on "Consumer Behavior of Teenagers with Reference to Fast Moving Consumer Goods (FMCG) in the Mumbai Region - Maharashtra" he examines that the consumers are affected from some individual and environmental factors like- motivation, personality, perception, learning, values, beliefs, attitudes, life style, personal influence, reference group, family influence, social class and culture in their buying decision process. The aim of his study is to focus on affecting factors on the consumer buying behavior in teenage consumer market, because teenage consumers are one of the important market segments of companies. The marketer must be aware of these factors in order to develop an appropriate Marketing Mix for its target market.-Personal Factors, Psychological Factors, Social Factors. The consumer behaviour of college going teenagers in specific with regards to Fast Moving Consumer Goods depends on external influence rather than rational purchases; where rational purchases would mean quality, durability and cost.
- Mahalingam S. and Nandha P. K. (2012), worked on "A Study on Consumer Behaviour Towards Selected Fast Moving Consumer Goods in Coimbatore City". They said that almost half of the FMCG market represents brand up package homemade products. This presents a tremendous opportunity for the markets of branded products. The study on the consumer behavior towards the products of FMCG has received a pivotal position in the market for paste, soap, shampoo although there are many competitors in the market. He examined that introduction of new products in the market to satisfy the consumer is also an important reason for FMCGs to hold to the top in the consumer market. It is clear from the

study that FMCG acquire a major share in the consumer goods market the manufacture as to provide quality goods at reasonable rates.

• **Jethwarey Jaishri and Jain Shruti** (2006), in their book on "Advertising Management" say that advertising is a tool of marketing that disseminates information about a brand which is aimed at a large number of people at the same time. To reach the masses, advertising has to buy space or time in one or more media of mass communication such as radio, television, news paper, and magazines.

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<u>Chapter – Four</u>

Research Methodology

Chapter – Four

Research Methodology

4.1. Meaning of Research

Systematic investigation into or new or existing knowledge is known by research. It is used to confirm facts, endorse the results of previous work done by several authors. Solve new or existing problems, support theorems and create new theories. Research is a careful inquiry or investigation. According to Creswell (2008), "Research is a process of steps used to collect and analyze information to increase our understanding of a topic or issue". As per the Oxford Dictionary of English Research means, "A careful investigation or inquiry, specially through search for new facts in any branch of knowledge".

Research methodology is a systematic process to solve the problems. In research methodology steps are followed one by one to study research problems and logic behind them. It is very important for any researcher to know research methods along with methodology.

4.2. Statement of Problem

- (a) Celebrity endorsement is a popular idea in present scenario; apart from this FMCG goods have very low margin and low price value. The company(s) hire an expensive celebrity to endorse the products. It enhances the cost of the product which is ultimately a burden on the consumer/buyer.
- (b) FMCG products are used and purchased on daily basis without any intensive thinking, then what is the need to use celebrity endorsement. On the another side it has been considered that there is a positive relation between celebrity endorsement and FMCG products, they increase the product attraction and sale.
- (c) Impact of celebrity endorsement on consumers' buying behaviour for FMCG products is a reality or a myth.

4.3. Objectives of Research

- (a) To know the factors influencing the selection of the celebrity endorsement advertisement in FMCG companies.
- **(b)** To know about the trends of buying behavior and awareness in consumers regarding FMCG companies.
- (c) To find out what are the changes and effects on consumer buying behavior after seeing the advertisement of FMCG products endorsed by the celebrity.
- (d) To find out the ethical factors of the advertisements presented through celebrity of any FMCG products.

4.4. Hypothesis of Research Work

The hypotheses of the research are:

- (a) **H1:** There is high potential of celebrities in advertising world and in spite of efforts by the advertisers it is not fully satisfying the customers.
- **(b) H2:** Though the celebrity endorsement has been adopted by advertisement for promoted of FMCG product but adoption of appropriate ethical strategy is missing for advertisement of FMCG products.
- (c) **H3:** The viewers are not fully satisfied with the celebrity endorsed advertisements shown by the different FMCG companies.

4.5. Research Design

The basic concept of research methodology refers to the way in which firms or organizations conduct their research and how they collect the data required. Research methodology typically involves a full breakdown of all the options that have been chosen by the firm or organization in order to investigate something. This would include the procedures and techniques used to perform the research. A firm may need to decide which format of research they want to use before the investigation starts. For example, if a company wants to sell a particular product, it needs to launch a research to find out how effective or

desirable the new product is? In primary research, company will collect data and information themselves first hand.

Alternatively, a firm can acquire figures or statistical findings available from an external source. This is known as secondary research, and this area of research involves published journals, newspapers and other relevant materials.

Many areas of research methodology may simply be referring to a generic path or method that a firm or organization will apply in order to retrieve the information they need. It is the way in which researchers specify how they are going to receive data and information that companies will need to make important decisions.

Research is very useful to confirm results of previous work, solve problems, support theorems and create new theories. Research work can be an extension of previous work carried out in the same field. The primary purposes of basic research are documentation, discovery interpretation, search and development of methods and system for the advancement of human knowledge.

There are different forms of research:

- Scientific
- Social
- Economic
- Humanities
- Artistic
- Business

4.5.1. Research Methodology of the Study

Conducting the research in a systematic plan is called research methodology. Research methodology includes objectives of the research, statement of problem, hypothesis, survey, observation of respondents, and primary and secondary data, statistical models to test hypotheses and other are followings:

- Statement of Problem: FMCG products have very low margin and low price value; in spite of this companies hire expensive celebrity. While this may be the reason for the increase in the value of the product and researcher wants to find out is the positive relation between celebrity endorsement and FMCG product selling.
- Objectives: To know about the factors which influence the selection of
 celebrity endorsement in FMCG products with buying awareness of buyer
 and also focused on consumer buying behaviour after seeing
 advertisements, and find out the ethical factors of the advertisements
 presented through celebrity of any FMCG products.
- Hypothesis of Research Work: In this study hypotheses are based on consumer satisfaction level where FMCG companies try different strategies to attract consumers like celebrity endorsement.
- **Type of Research:** This research is descriptive in nature.
- Sample Size: The sample size has been taken from Kota city and Jaipur city, where number of respondents in both cities were 400 (200 respondents in each city).
- Statistical Tool: Chi Square method has been used for testing hypothesis.
- **Data Interpretation:** Answers to all questions are explained with the help of tables, graphs and charts in percentage form.
- **Findings:** On the basis of the various responses given by respondents, many findings are presented in this portion.
- Conclusion: In this part, researcher concluded the research / study which has been done by him.
- **Suggestions:** The researcher has given several suggestions on celebrity endorsement and advertisement regarding to FMCG products on the basis of responses given by respondents and review of literature.

4.5.2. Types of Research

The basic types of research among which the researcher has opted the following

(a) **Descriptive** – The Research is descriptive in nature. The main characteristics of this research are description of the state of developments

and new trends in Advertisement industry. This research is based on fact finding activities. The main purpose of researchers is to report what has happened and what is happening in that sector. According to Malhotra (2004), descriptive research is structured and preplanned based on many representative samples.

Descriptive research is based on the followings

- Describe the characteristics of various groups, like- salesperson, consumers, firm /company and market areas.
- Establish the perceptions of product characteristics
- Make a degree, which is associated to marketing variables.
- Do appropriate predictions.
- **(b) Applied** It is carried on to find solution to a real life problem requiring an action or policy decision.
- **(c) Empirical Research** –This type of research based on experience or observation, without due regard for system and theory. This type of research is data based, coming up with conclusions capable of being verified by observation or experiment.
- (d) Analytical It is a system of procedures and techniques of analysis applied to quantitative data. It aims at testing hypothesis and specifying interpretation relationship.
- **(e) Fundamental** Research is mainly concerned with generalizations and with the formulation of a theory.
- **(f) Conceptual** Conceptual research depends on some abstract idea or theory. Generally it is used by philosophers/thinkers to create new concepts or to reinterpret existing ones.

4.6. Sampling Framework

Sampling is an important step in research work. Sampling frame work is data collection of all those within a population who can be sampled; it may contain individuals, others. According to Burney and White (2009), "A population is the

entire collection of individuals being considered for a study". Sampling is a process of getting information from a large group. Overall it means that sample is a selection of respondents chosen in such a way that they represent the total population as feasible as possible. Sampling framework is given below:

4.6.1. Universe and Area of Research Work

It is a target population where all research work has to be conducted. This study is focused on FMCG products consumed by consumers of Kota and Jaipur cities. This research was conducted in Kota and Jaipur city of Rajasthan. These two cities were selected because of easy access from other states and availability of facilities as well as transportation and connectivity. Many FMCG dealers and manufacturers are also available and working in Jaipur. The main reason of selection of Kota was its reputation as the educational and coaching hub of India. Many students belonging to several different states of India stay here for an extended duration hence making it a multicultural city. In other words it has become a miniature India. These students and their parents consume many FMCGs products and are aware of the term 'celebrity'. It was also convenient for the researcher as the research center is also located at Kota i.e. University of Kota.

4.6.2. Sampling Unit

Researcher categorised respondents in different categories - male and female consumers, qualification group, age group, occupation group and income group.

4.6.3 Sampling Technique

This study is based on both non probability and probability sampling technique. The **first step** was selection of cities. Cities were selected by convenience sampling. This is a non probability technique used for easy availability, cost and time constraint. The **second step** was selection of respondents. Respondents were selected by simple random sampling method.

4.6.4. Sample Size

According to Jon Zamboni (April, 2017), sample size measures the number of individual samples measured or observations used in a survey or experiment. Sample size refers to the total number of units to be selected from

target population. The size of a sample must be the most favourable, neither too large nor too small.

Formula of sample size:

$$n=\frac{p(1-p)z^2}{ME^2}$$

Where:

n= Sample Size

p = Prevalence of Satisfaction

z = Standard normal Variant

ME= Margin/Absolute error

Calculation of Sample Size by Pilot Study

Pilot study refers to small scale study. It helps in identifying design issues before the main research is done. Pilot study is a small scale preliminary study conducted in order to evaluate cost, time, feasibility, adverse events and predict an appropriate sample size. Pilot study was conducted in Kota and Jaipur cities to find out satisfaction level of customers/ consumers. Researcher opted total 40 respondents in total (20 respondents from Kota and Jaipur each). Researcher found that 20 (50%) respondents were satisfied among 40 respondents. So 50% response were considered as prevalence of satisfaction.

As per the formula of sample size:

$$n = \frac{p(1-p)z^2}{ME^2}$$

n= Sample Size

p = Prevalence of Satisfaction (50% or 0.50 from pilot study)

z = Standard normal Variant (1.96)

ME= Margin/Absolute error (10% of prevalence of satisfaction)

 $n = 0.50*0.50*(1.96)^2 / (0.050)^2$

n = 384.1

Sample size is 384.1 in round off **400 respondents.**

Sample Size Allocation for Both Cities:

Formula

nh = n/K

nh = 400/2 = 200 in each city

Where:

nh = Number of respondents in each city

n =Sample size

K = Number of city

Sample Size- Number of respondents

Cities	No. of Respondents
Kota	200
Jaipur	200
Total No. of Respondents	400

Table 4.1: Sample Size

(Source: Field Survey)

Sample Profile- The demographic characteristics of sample used for the research problem are

Variables	Respondents	
	In Number	In Percentage
Gender		
Male	223	55.75
Female	177	44.25
Total	400	100
Age of respondents (in years)		
Below 18	104	26
18-25	84	21
26-40	144	36
41-60	64	16
Above 60	4	1
Total	400	100

Marital status			
Married	204	51	
Unmarried	196	49	
Total	400	100	
Education level (class wise)			
Less than V	4	1	
VI – X	98	24.5	
XI –XII	82	20.5	
Graduation	136	34	
Post graduation and above	80	20	
Total	400	100	
Occupation			
Service	165	41.25	
Business	30	7.50	
Professional	24	6	
Student	144	36	
Housewife	32	8	
Other	5	1.25	
Total	400	100	
Monthly income (in Rs.)			
Less than 10000	130	51.18	
10001-20000	54	21.25	
20001-30000	40	15.74	
30001-50000	22	8.66	
Above 50000	8	3.17	
Total	254	100	

Table 4.2: Sample Profile

4.7. Data Collection Method

Meaning of Primary Data and Secondary Data

According to Hox and Boeije (2005), "Primary data are collected for the specific research problem by using procedures that fit the research problem best. And secondary data is that data which is created by other researchers and is used by all the researchers in the world".

For proposed research the data were collected from both primary and secondary sources.

- **4.7.1. Primary Data-** This is collected from 400 consumers (FMCG products consumers) through structured Questionnaire containing predetermined and definite questions based on expert's advice.
- **4.7.2. Secondary Data-** Secondary data collected from Government published materials, research articles, published scholarly papers, books, journals, speeches, newspapers, annual reports, database available on various websites.

4.8. Types of Questionnaire

Questionnaire is a set of questions asked in two forms; one in written form and other in oral form. Generally three types of questionnaires are employed, such as:

4.8.1. Structured Questionnaire:

These are based on closed ended questions where a researcher provides a suitable list of responses (all responses given by researcher, either 'yes' or 'no').

4.8.2. Unstructured Questionnaire:

Unstructured questionnaire have a large number of open ended questions. In open ended questions researcher doesn't provide any list of responses. Respondents answer depending on his/her opinion. In open ended question data is more qualitative rather than in close ended question.

4.8.3. Semi Structured Questionnaire:

This questionnaire is based on both open ended and closed ended questions. In this researcher receives both quantitative and qualitative data. Researcher has used structured questionnaire for responses.

4.9. Introduction of Likert Scale

The name 'likert scale' originated from 'Rensis Likert', a sociologist at the University of Michigan. He developed this technique. His original report titled "A Technique for the Measurement of Attitudes" was published in the Archives of Psychology in 1932. Likert (1932) developed a procedure for measuring attitudinal scales. The inventive Likert scale used a series of questions with five responses which are- Strongly Approve (1), Approve (2), Undecided (3), Disapprove (4), and Strongly Disapprove (5). This is a statistical method which describes quantitative value to qualitative data, to make it responsive to statistical analysis.

4.10. Statistical Tools Used in Research Work

The main function of hypothesis is to suggest new experiments and observations. Many experiments are carried out by the intentional object of testing hypothesis. Researchers often face situations wherein they are interested in testing hypothesis on the basis of available information. In this study, researcher has used chi square (x^2) test for testing hypothesis, for the result of the study approved or rejected. This is used for testing relationships on categorical variables. In this research work, researcher uses Weighted Value and chi square for hypothesis testing.

Chi Square Formula:

$$X^2 = \sum \frac{(Observed frequency - Expected frequency)^2}{Expected frequency}$$

Where:

 $\Sigma = Summation$

 χ 2 = Chi-Square Test

4.11. Design Analysis and Interpretation of Data

The data collected from primary as well as secondary source has been analyzed scientifically by using statistical tools and techniques. The same will be classified, tabulated and analyzed to draw the logical conclusion from them. Graphs and diagrammatic representation will also be made through pie and bar diagrams for making data clear and presentable.

Five Advantages of Survey

Advantage	Description
Provides standardization	All respondents react to questions worded identically and presented in the same order. Response options (scales) are the same, too.
Easy to analyze	Large sample size and computer processing allows quick tallies, crosstabulations, and other statistical analysis.
Easy to administer	Interviewers read questions to respondents and record their answers quickly and easily. In some cases, the respondents fill out the questionnaires themselves.
Reveals subgroup differences	Respondents can be divided into segments or subgroups for comparisons in the search for meaningful differences.
Gets "beneath the surface"	It is possible to ask questions about motives, circumstances, sequences of events, or mental deliberations.

Table 4.3: Five Advantages of Surveys

(Source : Burns, A.C. & Bush, R.F., (2006), "Marketing Research", 5th Edition, Pearson Education, London)

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Books and Journals

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Chapter – Five

Data Analysis and Interpretation

Chapter – Five

Data Analysis and Interpretation

5.1. Role of Data Analysis and Interpretation

Once the Primary data is collected, it needs to be analyzed in order to arrive at valid result and conclusions. Data analysis is a process of summarizing, transforming data, relevant information, suggestion and conclusion.

Objective of the research can be achieved by analysing the collected data, examining the responses and opinions of the respondents. Data has been analyzed by the review of literature and objectives of study.

The key areas which were analyzed on the basis of data collected are-

- Effect of celebrity endorsement on consumers
- Personal preferences of respondents on purchase decision
- Appropriate relationship between product and celebrity
- Negative impact of celebrity.
- Product quality and consumer satisfaction according to product, especially FMCG products.

After analyzing all questions, Hypothesis testing exercise was undertaken to draw out relevant results of the study. Statistical tools were used for hypothesis testing. Just after use of hypothesis testing, researcher started interpretation. This helps to make inferences. All these processes help in research findings and conclusions.

5.2. Sections of Analysis and Results

This chapter is divided in five segments according to the questionnaire which are the following:

- 5.2.1. Demographic Factors
- 5.2.2. Advertisements and Celebrity Endorsements
- 5.2.3. FMCG and Satisfaction Level of Consumers
- 5.2.4. Ranking Method
- 5.2.5. Calculation and Interpretation of Hypothesis by Chi Square Test

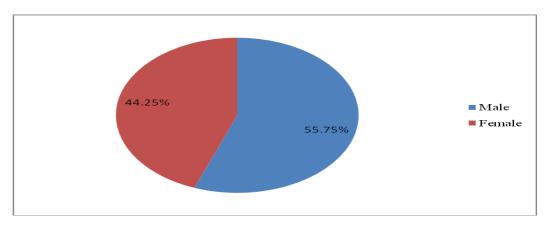
5.2.1. Demographic factors

Table No. -5.1 Gender of the respondents

Sr. No.	Gender	No. of	Percentage of
		Respondents	Respondents
1	Male	223	55.75
2	Female	177	44.25
	Total	400	100

Table 5.1: Gender of the Respondents

(Source: Field Survey)



Graph 5.1: Gender of the Respondents

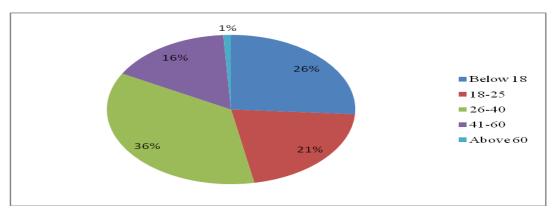
Interpretation:

According to the above table, out of total 400 respondents, 223 respondents (55.75%) are male and remaining 177 respondents (44.25%) are female.

Table No. -5.2Age of the respondents

Sr. No.	Age of Respondents (in years)	No. of Respondents	Percentage of Respondents
1	Below 18	104	26
2	18-25	84	21
3	26-40	144	36
4	41-60	64	16
5	Above 60	4	1
	Total	400	100

Table 5.2: Age of the Respondents



Graph 5.2: Age of the Respondents

Interpretation:

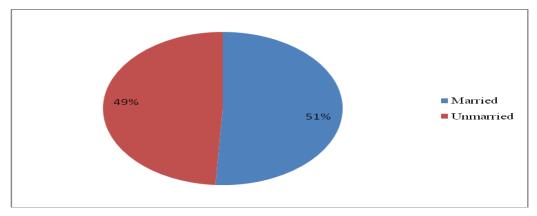
In this table, out of total 400 respondents, 144 respondents (36%) are in 26-40 years age group while 104 respondents (26%) below 18 years, 84 respondents (84%) are in 18-25 years age group. 64 respondents are under the 41-60 years age group and rest 4 respondents are above 60 year age group.

Table No. -5.3 Marital status of the respondents

Sr. No.	Marital Status	No. of	Percentage of
		Respondents	Respondents
1	Married	204	51
2	Unmarried	196	49
	Total	400	100

Table 5.3: Marital Status of the Respondents

(Source: Field Survey)



Graph 5.3: Marital Status of the Respondents

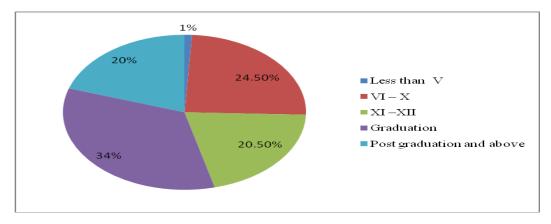
Interpretation:

According to this table, out of total 400 respondents 51% are married while 49% are unmarried in both genders. Approximately both genders are in equal number in composition of married and unmarried.

Table No. -5.4 Education level of the respondents

Sr. No.	Education Level (class wise)	No. of	Percentage of
		Respondents	Respondents
1	Less than V	4	1
2	VI – X	98	24.5
3	XI –XII	82	20.5
4	Graduation	136	34
5	Post graduation and above	80	20
	Total	400	100

Table 5.4: Education Level of the Respondents



Graph 5.4: Education Level of the Respondents

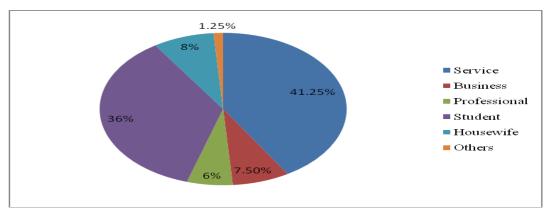
Interpretation:

According to this table, out of total 400 respondents, 136 respondents (34%) are graduates followed by 98 respondents (24.50%) are under VI to X class group. 82 respondents (20.50%) are in XI to XII class group, number of postgraduate respondents are 80(20%) and only 4 respondents (1%) are below class V group.

<u>Table No. -5.5</u> Occupation of the respondents

Sr. No.	Occupation	No. of	Percentage of
		Respondents	Respondents
1	Service	165	41.25
2	Business	30	7.50
3	Professional	24	6
4	Student	144	36
5	Housewife	32	8
6	Others	5	1.25
	Total	400	100

Table 5.5: Occupation of the Respondents



Graph 5.5: Occupation of the Respondents

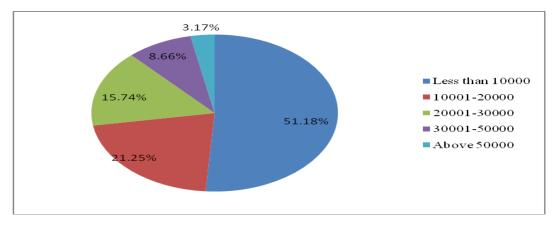
Interpretation:

Out of total respondents, 165(41.25%) respondents are in service class. 30(7.50%) respondents are engaged in business. 32(8%) respondents are housewives, 144(36%) respondents are students, 24(6%) respondents are professionals. And other 4(1%) respondents are in other category.

Table No. -5.6 Monthly income of the respondents

Sr. No.	Monthly Income (in Rs.)	No. of	Percentage of
		Respondents	Respondents
1	Less than 10000	130	51.18
2	10001-20000	54	21.25
3	20001-30000	40	15.74
4	30001-50000	22	8.66
5	Above 50000	8	3.17
	Total	254	100

Table 5.6: Monthly Income of the Respondents



Graph 5.6: Monthly Income of the Respondents

Interpretation:

According to this table total 254 (63.50%) out of 400 respondents are engaged in earning. Out of 254 respondents who are earning, 130 (51.18%) respondents are earning less than Rs.10000 month wheares 54 (21.25%) respondents are in Rs. 10001 to 20000 group, 40 (15.74%) respondents in Rs. 20001 to 30000 group. 22 (8.66%) respondents under Rs. 30001 to 50000 income group while only 8 (3.17%) respondents have an income above Rs. 50000.

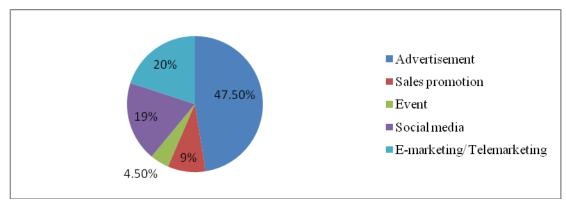
5.2.2. Advertisements and Celebrity Endorsements

Table No. -5.7Popular medium of marketing

Sr. No.	Response	No. of	Percentage of
		Respondents	Respondents
1	Advertisement	190	47.5
2	Sales promotion	36	9
3	Event	18	4.5
4	Social media	76	19
5	E-marketing/ Telemarketing	80	20
	Total	400	100

Table 5.7: Popular Medium of Marketing

(Source: Field Survey)



Graph 5.7: Popular Medium of Marketing

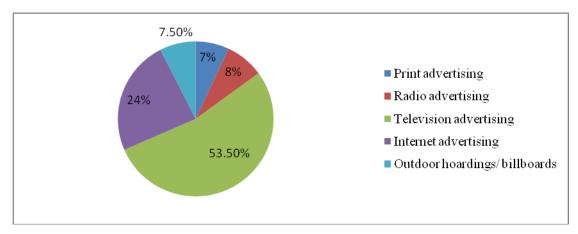
Interpretation:

Out of total 400 respondents, 190 (47.50%) respondents think advertisement is very popular medium of marketing while 80 (18%) respondents assume electronic marketing/ telemarketing is popular medium of marketing. 76 (19%) respondents choose social media. Sales promotion is chosen by 36 (9%) respondents and remaining 18 (4.50%) respondents select event, as a popular medium of marketing.

<u>Table No. – 5.8</u> Preference of media advertisement for FMCG products

Sr. No.	Response	No. of	Percentage of
		Respondents	Respondents
1	Print advertising	28	7
2	Radio advertising	32	8
3	Television advertising	214	53.50
4	Internet advertising	96	24
5	Outdoor hoardings/ billboards	30	7.50
	Total	400	100

Table 5.8: Preference of Media Advertisement for FMCG Products



Graph 5.8: Preference of Media Advertisement for FMCG Products

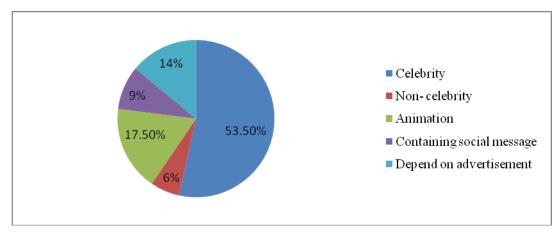
Interpretation:

On the basis of above table, 214 (53.5%) respondents like television advertising. 96 (24%) respondents are interested in internet advertising. 32 (8%) respondents like radio advertising while 30 (7.50%) respondents like outdoor hoardings / billboards. Remaining 28 (7%) respondents like print advertising.

Table No. -5.9Types of advertisement of FMCG products liked by respondents

Sr. No.	Response	No. of	Percentage of
		Respondents	Respondents
1	Celebrity	214	53.5
2	Non- celebrity	24	6
3	Animation	70	17.5
4	Containing social message	36	9
5	Depends on advertisement	56	14
	Total	400	100

Table 5.9: Types of Advertisement of FMCG Products Liked by Respondents



Graph 5.9: Types of Advertisement of FMCG Products Liked by Respondents

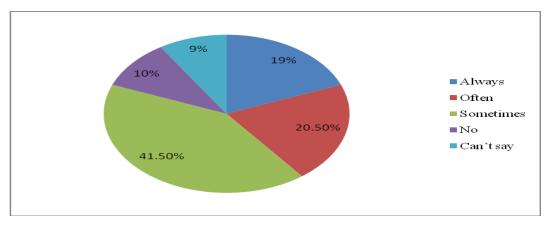
Interpretation:

Out of total 400 respondents, majority of respondents 214 (53.50%) like celebrity in advertisement. 70 (17.50%) respondents like animations in advertisement, 56 (14%) respondents think it depends on advertisement. 36 (9%) respondents prefer those advertisements which have social messages. Rest 24 (6%) respondents like non-celebrity advertisement.

 $\underline{\textbf{Table No.} - 5.10}$ Involvement of Celebrity for endorsement of FMCG products is a good idea

Sr. No.	Response	No. of	Percentage of
		Respondents	Respondents
1	Always	76	19
2	Often	82	20.50
3	Sometimes	166	41.50
4	No	40	10
5	Can't say	36	9
	Total	400	100

Table 5.10: Involvement of Celebrity for Endorsement of FMCG Products is a Good Idea (Source: Field Survey)



Graph 5.10: Involvement of Celebrity for Endorsement of FMCG Products is a Good Idea

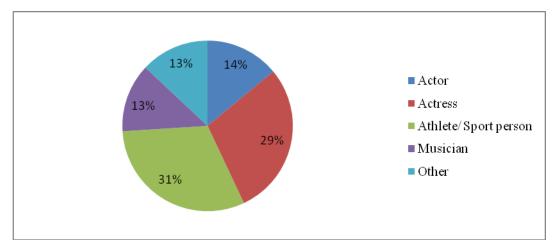
Interpretation:

Out of total 400 respondents 166 (41.50%) respondents think celebrity endorsement is a mixed idea. Sometimes it is very good idea. 82(20.50%) respondents think it is often a good idea. 76 (19%) respondents assume it is always very good idea. 40 (10%) respondents think it is not a good idea. And 36 (9%) respondents are neutral about this.

<u>Table No. – 5.11</u> Preference of celebrity Endorser

Sr. No.	Response	No. of	Percentage of
		Respondents	Respondents
1	Actor	56	14
2	Actress	116	29
3	Athlete/ Sport person	124	31
4	Musician	52	13
5	Other	52	13
	Total	400	100

Table 5.11: Preference of Celebrity Endorser



Graph 5.11: Preference of Celebrity Endorser

Interpretation:

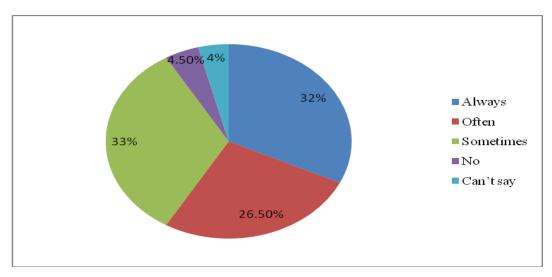
Out of total 400 respondents, 124 (31%) respondents prefer an athlete/ a sport person as a celebrity in advertisement. 116 (29%) respondents prefer an actress in advertisement. 56 (14%) respondents prefer an actor in advertisement. Musicians are preferred by 52(13%) respondents. And rest 52 (13%) respondents prefer others.

<u>Table No. – 5.12</u>

Increase of product attraction through advertisement

Sr. No.	Response	No. of	Percentage of
		Respondents	Respondents
1	Always	128	32
2	Often	106	26.50
3	Sometimes	132	33
4	No	18	4.50
5	Can't say	16	4
	Total	400	100

Table 5.12: Increase of Product Attraction through Advertisement



Graph 5.12: Increase of Product Attraction through Advertisement

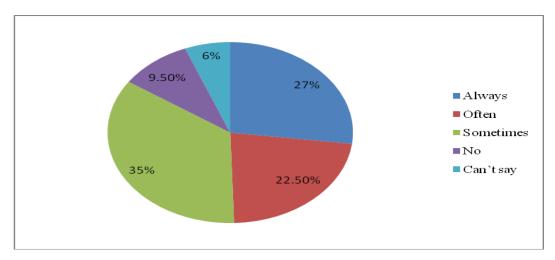
Interpretation:

Out of total 400 respondents, 132 (33%) respondents think sometimes advertisement can increase product attraction. 128 (32%) respondents assume advertisement always increases product attraction. 106 (26.50 %) respondents say it is often, while 18 (4.50%) respondents think it does not increase product attraction and 16 (4%) respondents couldn't comment on it.

<u>Table No. – 5.13</u>
Celebrity attraction factor in FMCG product advertisement

Sr. No.	Response	No. of	Percentage of
		Respondents	Respondents
1	Always	108	27
2	Often	90	22.50
3	Sometimes	140	35
4	No	38	9.50
5	Can't say	24	6
	Total	400	100

Table 5.13: Celebrity Attraction Factor in FMCG Product Advertisement



Graph 5.13: Celebrity Attraction Factor in FMCG Product Advertisement

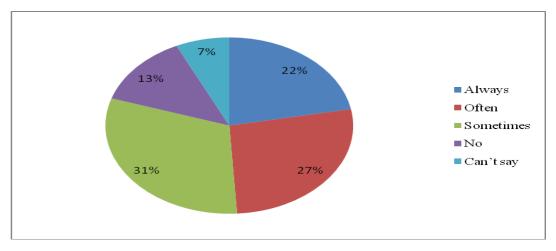
Interpretation:

Out of total 400 respondents, 140 (35%) respondents are sometimes attracted by celebrity. 108 (27%) respondents are always attracted by celebrity in advertisement by their styles, dressings and looks, respondents sought them as an icon. 90 (22.50%) respondents are often attracted by celebrity. 38 (9.5%) totally deny that they are attracted by celebrity. And only 24(6%) respondents were neutral in this regards.

 $\underline{\textbf{Table No.} - 5.14}$ Impact of celebrity endorsement on FMCG product selling

Sr. No.	Response	No. of	Percentage of
		Respondents	Respondents
1	Always	88	22
2	Often	108	27
3	Sometimes	124	31
4	No	52	13
5	Can't say	28	7
	Total	400	100

Table 5.14: Impact of Celebrity Endorsement on FMCG Product Selling



Graph 5.14: Impact of Celebrity Endorsement on FMCG Product Selling

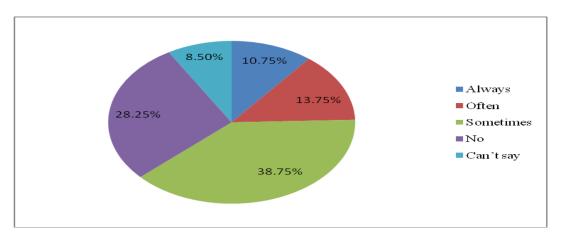
Interpretation:

124 (31%) respondents believed that celebrity can increase product selling sometimes, not always. Because there are many factors which can directly affect a product. 108 (27%) respondents believe that celebrity can often increase product selling. 88 (22%) respondents think it is always a good decision for product selling, by using celebrity(s). 52 (13%) respondents say no on this question. And rest 28 (7%) respondents couldn't comment on it.

<u>Table No. – 5.15</u> Level of trustworthiness of FMCG products information endorsed by celebrity

Sr. No.	Response	No. of	Percentage of
		Respondents	Respondents
1	Always	43	10.75
2	Often	55	13.75
3	Sometimes	155	38.75
4	No	113	28.25
5	Can't say	34	8.50
	Total	400	100

Table 5.15: Level of Trustworthiness of FMCG Products Information Endorsed by Celebrity (Source: Field Survey)



Graph 5.15: Level of Trustworthiness of FMCG Products Information Endorsed by celebrity

Interpretation:

Out of total 400 respondents, 155(38.75%) say sometimes all given information is right. In this context 113 (13.75%) respondents did not believe that all information are right in advertisement. 55 (13.75%) respondents think given information is often right. 43 (10.75%) respondents assume information in advertisement is always right. Advertisers cannot betray the consumer in this scenario, where all consumers are aware about product. And rest 34 (8.50%) respondents couldn't comment on it.

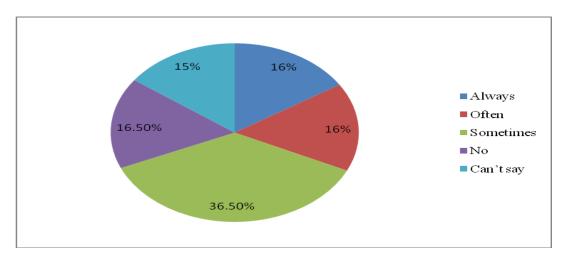
Table No. - 5.16

Peer review discussion frequency regarding celebrity endorsement of FMCG products

Sr. No.	Response	No. of	Percentage of
		Respondents	Respondents
1	Always	64	16
2	Often	64	16
3	Sometimes	146	36.50
4	No	66	16.50
5	Can't say	60	15
	Total	400	100

Table 5.16: Peer Review Discussion of Advertised Products

(Source: Field Survey)



Graph 5.16: Peer Review Discussion of Advertised Products

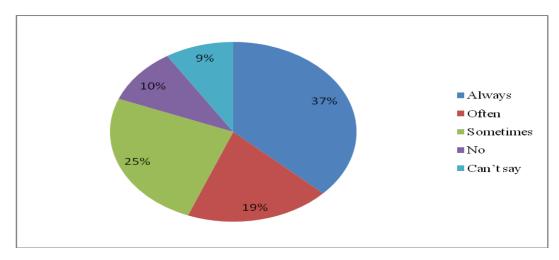
Interpretation:

Out of total 400 respondents, 146 (36.50%) respondents discussed about the product with others sometimes when they are attracted or impressed by them. 66 (16.50%) respondents are not interested to discuss with others about a product. 64 (16%) respondents are always interested to tell others about product and discussed about it, and the same number of respondents 64 (16%) often discussed with others. 60 (15%) respondents are neutral in this case.

<u>Table No. – 5.17</u> Effect of negative advertising on celebrity image

Sr. No.	Response	No. of	Percentage of
		Respondents	Respondents
1	Always	148	37
2	Often	76	19
3	Sometimes	100	25
4	No	40	10
5	Can't say	36	9
	Total	400	100

Table 5.17: Effect of Negative Advertising on Celebrity Image



Graph 5.17: Effect of Negative Advertising on Celebrity Image

Interpretation:

Out of total 400 respondents, 148 (37%) respondents say negative advertising always damages celebrity image. It may harm the credibilty of the celebrity among consumers/ customres. 100 (25%) respondents supposed it happened sometimes. 76 (19%) respondents think it happened often. 40 (10%) respondents say no about it. And only 36 (9%) respondents can't say about it.

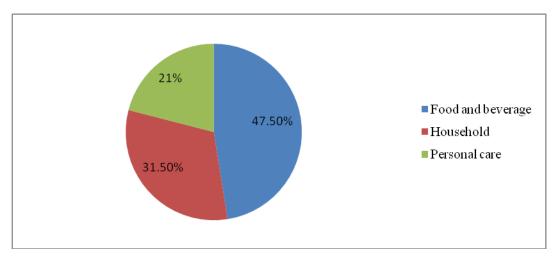
5.2.3. FMCG and Satisfaction Level of Consumers

<u>Table No. – 5.18</u> FMCG products purchased more by respondents

Sr. No.	Response	No. of	Percentage of
		Respondents	Respondents
1	Food and beverage	190	47.50
2	Household	126	31.50
3	Personal care	84	21
	Total	400	100

Table 5.18: FMCG Products Purchased More by Respondents

(Source: Field Survey)



Graph 5.18: FMCG Products Purchased More by Respondents

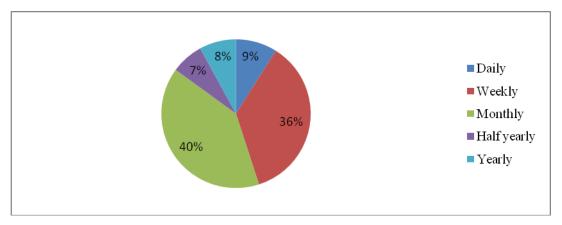
Interpretation:

Out of total 400 respondents, most of the respondents 190 (47.50%) accept that they purchase foods and beverages. 126 (31.50%) respondent purchase household products amongst FMCG products. Only 84 (21%) respondents purchase personal care products.

<u>Table No. – 5.19</u>
Frequency of purchasing FMCG products

Sr. No.	Response	No. of	Percentage of
		Respondents	Respondents
1	Daily	36	9
2	Weekly	144	36
3	Monthly	160	40
4	Half yearly	28	7
5	Yearly	32	8
	Total	400	100

Table 5.19: Frequency of Purchasing FMCG Products



Graph 5.19: Frequency of Purchasing FMCG Products

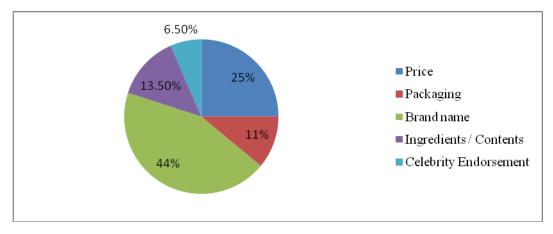
Interpretation:

Out of 400 respondents, 160 (40%) respondents purchase FMCG products on monthly basis. 144 (36%) respondents purchase FMCG products on weekly basis while 36 (9%) respondents purchase on daily basis, 32 (8%) respondents accept that they purchase FMCG product on yearly basis and 28 (7%) respondents admit it on half yearly.

<u>Table No. – 5.20</u>
Factors influence while purchasing FMCG products

Sr. No.	Response	No. of	Percentage of	
		Respondents	Respondents	
1	Price	100	25	
2	Packaging	44	11	
3	Brand name	176	44	
4	Ingredients / Contents	54	13.5	
5	Celebrity Endorsement	26	6.5	
	Total	400	100	

Table 5.20: Factors Influence While Purchasing FMCG Products



Graph 5.20: Factors Influence While Purchasing FMCG Products

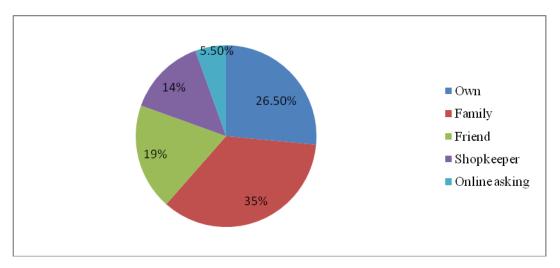
Interpretation:

On the basis of the above table, it is concluded that the factors which influence the most while buying the FMCG products is brand name which is selected by 176 (44%) respondents. Price factor is selected by 100 (25%) respondents. Ingredients / contents of products were considered by 54 (13.50%) respondents. 44 (11%) respondents selected packaging, when they purchase something. Remaining 26 (6.5%) respondents clearly selected celebrity endorsement when they purchase something.

<u>Table No. – 5.21</u> Recommendation preferred while purchasing FMCG products

Sr. No.	Response	No. of	Percentage of
		Respondents	Respondents
1	Own	106	26.50
2	Family	140	35
3	Friend	76	19
4	Shopkeeper	56	14
5 Online asking		22	5.50
Total		400	100

Table 5.21: Recommendation Preferred While Purchasing FMCG Products



Graph 5.21: Recommendation Preferred While Purchasing FMCG Products

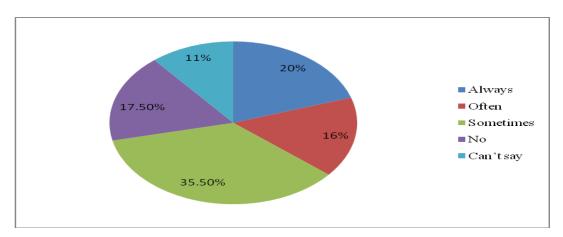
Interpretation:

Recommendation is very important at the time of purchasing. Out of total 400 respondents, 140 (35%) respondents discuss with family while purchasing. 106(26.50%) respondents take self decision at the time of purchase. 76 (19%) respondents prefer friends recommendations. 56 (14%) respondents purchase on recommendations of shopkeepers. And rest 22 (5.50%) select online asking for it.

<u>Table No. – 5.22</u>
Purchase preference of endorsed FMCG products

Sr. No.	Response	No. of	Percentage of
		Respondents	Respondents
1	Always	80	20
2	Often	64	16
3	Sometimes	142	35.50
4	No	70	17.50
5	Can't say	44	11
	Total	400	100

Table 5.22: Purchase Preference of Endorsed FMCG Products



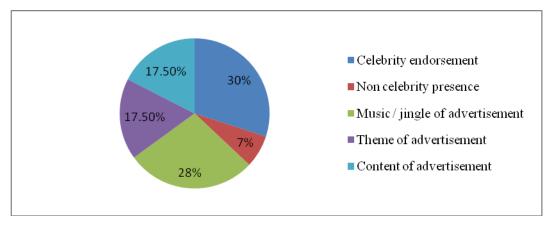
Graph 5.22: Purchase Preference of Endorsed FMCG Products

Interpretation:

Out of total 400 respondents, 142 (35.50%) respondents sometimes prefer those products which are promoted by celebrity endorsement. 80 (20%) respondents always prefer those products which are endorsed by celebrity. 70 (17.50%) respondents do not prefer those products which have a celebrity endorsement. 64 (16%) respondents choose it often, while 44 (11%) are unable to say about it.

Sr. No.	Response	No. of	Percentage of		
		Respondents	Respondents		
1	Celebrity endorsement	120	30		
2	Non celebrity presence	28	7		
3	Music / jingle of advertisement	112	28		
4	Theme of advertisement	70	17.50		
5	Content of advertisement	70	17.50		
	Total	400	100		

Table 5.23: Reasons Attract Towards an Advertisement



Graph 5.23: Reasons Attract Towards an Advertisement

Interpretation:

Out of total 400 respondents, 120 (30%) respondents are attracted by celebrity endorsement in advertisement whereas 112 (28%) respondents are attracted by music/ jingle of advertisement. 70 (17.50%) respondents select theme of advertisement and the same number of respondents select content of advertisement. Only 28 (6.87%) respondents are not attracted by celebrity presence.

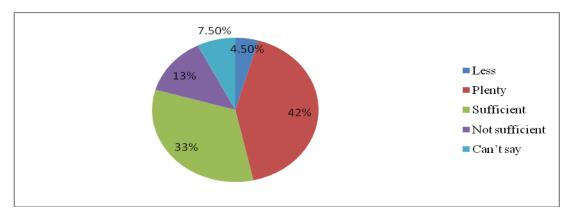
Table No. - 5.24

Frequency of print media advertisements using celebrity endorsement for FMCG products

Sr. No.	Response	No. of	Percentage of
		Respondents	Respondents
1	Less	18	4.50
2	Plenty	168	42
3	Sufficient	132	33
4	Not sufficient	52	13
5	Can't say	30	7.50
	Total	400	100

Table 5.24: Frequency of Print Media Advertisements Using Celebrity Endorsement for FMCG Products

(Source: Field Survey)



Graph 5.24: Frequency of Print Media Advertisements Using Celebrity Endorsement for FMCG Products

Interpretation:

Out of total 400 respondents, 168 (42%) assume there are a plenty print media ads using celebrity endorsement. 132 (33%) respondents supposed there are sufficient ads on print media which are using celebrity endorsement. 52 (13%) respondents assume it is not sufficient, while 30 (7.50%) respondents are unable to say about it. And 18 (4.50%) respondents think endorsement by celebrity in print media is less.

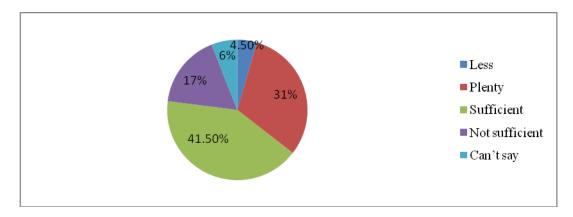
Table No. - 5.25

Frequency of electronic media advertisements using celebrity endorsement for FMCG products

Sr. No.	Response	No. of	Percentage of
		Respondents	Respondents
1	Less	18	4.50
2	Plenty	124	31
3	Sufficient	166	41.50
4	Not sufficient	68	17
5	Can't say	24	6
	Total	400	100

Table 5.25: Frequency of Electronic Media Advertisements Using Celebrity Endorsement for FMCG Products

(Source: Field Survey)



Graph 5.25: Frequency of Electronic Media Advertisements Using Celebrity Endorsement for FMCG Products

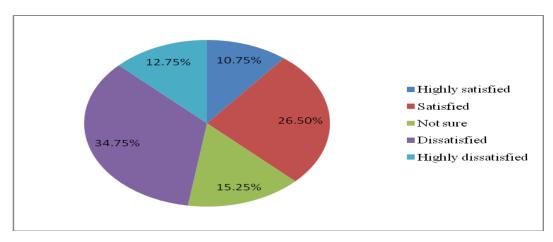
Interpretation:

Out of total 400 respondents, 166 (41.50%) assume there are sufficient electronic media ads using celebrity endorsement. 124 (31%) respondents suppose there are plenty of ads on electronic media which are using celebrity endorsement. 68 (17%) respondents assume it is not sufficient, while 24 (6%) respondents are unable to say anything about it. And 18 (4.50%) respondents think endorsement by celebrity in electronic media is less.

 $\underline{\textbf{Table No.} - 5.26}$ Satisfaction level of food and beverage products endorsed by celebrities

Sr. No.	Response	No. of	Percentage of
		Respondents	Respondents
1	Highly satisfied	43	10.75
2	Satisfied	106	26.50
3	Not sure	61	15.25
4	Dissatisfied	139	34.75
5	Highly dissatisfied	51	12.75
	Total	400	100

Table 5.26: Satisfaction Level of Food and Beverage Products Endorsed by Celebrities (Source: Field Survey)



Graph 5.26: Satisfaction Level of Food and Beverage Products Endorsed by Celebrities

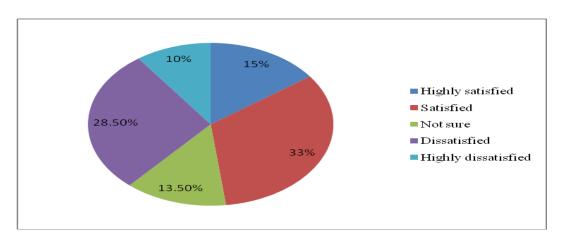
Interpretation:

Out of total 400 respondents, 139 (34.75%) respondents were dissatisfied with food and beverage products which were endorsed by celebrity. 106 (26.50%) respondents were satisfied with these products. 43 (10.75%) respondents were highly satisfied with these products which are endorsed by celebrity while 61 (15.25%) respondents are not sure about it. And 51 (12.75%) respondents were highly dissatisfied with food and beverage products.

<u>Table No. –5. 27</u>
Satisfaction level of personal care/ beauty products endorsed by celebrities

Sr. No.	Response	No. of	Percentage of
		Respondents	Respondents
1	Highly satisfied	60	15
2	Satisfied	132	33
5	Not sure	54	13.50
3	Dissatisfied	114	28.50
4	Highly dissatisfied	40	10
Total		400	100

Table 5.27: Satisfaction Level of Personal Care/ Beauty Products Endorsed by Celebrities (Source: Field Survey)



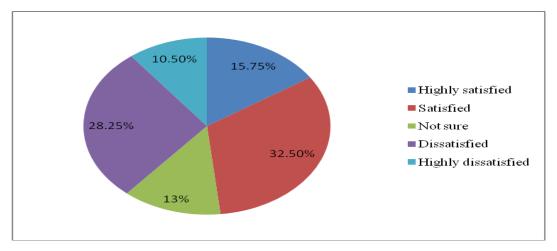
Graph 5.27: Satisfaction Level of Personal Care/ Beauty Products Endorsed by Celebrities

Interpretation:

Out of total 400 respondents, 114 (28.50%) respondents were dissatisfied with personal care/ beauty products which were endorsed by celebrity. 132 (33%) respondents were satisfied with these products. 60 (15%) respondents were highly satisfied with personal care / beauty products which are endorsed by celebrity while 54 (13.50%) respondents were not sure about it. And 40 (10%) respondents were highly dissatisfied with these personal care / beauty products.

Sr. No.	Response	No. of	Percentage of
		Respondents	Respondents
1	Highly satisfied	63	15.75
2	Satisfied	130	32.50
5	Not sure	52	13
3	Dissatisfied	113	28.25
4 Highly dissatisfied		42	10.50
	Total	400	100

Table 5.28: Satisfaction Level of Household Products endorsed by Celebrities



Graph 5.28: Satisfaction Level of Household Products Endorsed by Celebrities

Interpretation:

Out of total 400 respondents, 113 (28.25%) respondents were dissatisfied with household products which were endorsed by celebrity. 130 (32.50%) respondents were satisfied with these products. 52 (13%) respondents were not sure about it. 42 (10.50%) respondents were highly dissatisfied with these household products while 63 (15.75%) respondents were highly satisfied with household products which were endorsed by celebrity.

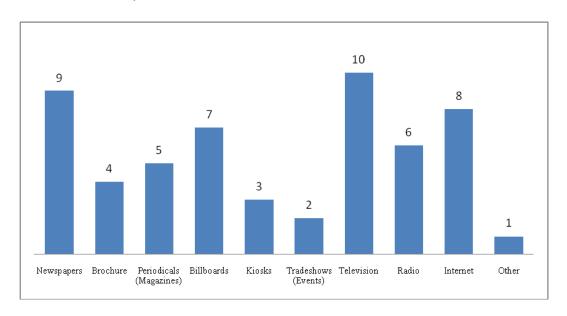
5.2.4. Ranking Method

<u>Table No. – 5.29</u>									
Please rank following type of advertising which you see in your daily lives.									
Lesse	er								Higher
1	2	3	4	5	6	7	8	9	10

Sr. No.	Advertising type	Rank	Position
1	Newspapers	9	2
2	Brochure	4	7
3	Periodicals (Magazines)	5	6
4	Billboards	7	4
5	Kiosks	3	8
6	Tradeshows (Events)	2	9
7	Television	10	1
8	Radio	6	5
9	Internet	8	3
10	Other	1	10

Table 5.29: Advertisement Seen in Daily Lives (Rank Wise)

(Source: Field Survey)



Graph 5.29: Advertisement Seen in Daily Lives (Rank Wise)

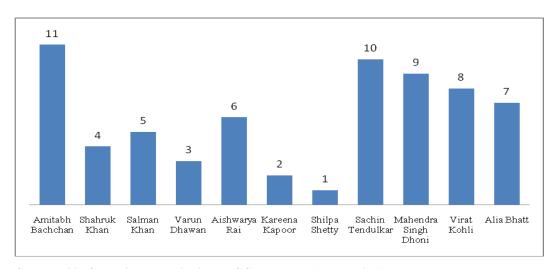
Interpretation:

According to the above table, large numbers of advertisements are viewed on television, which is at the top in amongst all type of advertising. Advertising in newspaper is stable on 2nd position in this category. At present time internet is very common among people so internet advertising is fixed on 3rd position. Billboards get 4th position in advertising. Radio advertising gets 5th position. And remaining 6, 7, 8, 9 10 position respectively are awarded to periodicals, brochures, kiosks, tradeshows and other types of advertising.

	<u>Table No. – 5.30</u>									
	Please rank following celebrities potential in FMCG products endorsement									
Less	er									Higher
1	2	3	4	5	6	7	8	9	10	11

Sr. No.	Celebrity Name	Rank	Position
1	Amitabh Bachchan	11	1
2	Shahruk Khan	4	8
3	Salman Khan	5	7
4	Varun Dhawan	3	9
5	Aishwarya Rai	6	6
6	Kareena Kapoor	2	10
7	Shilpa Shetty	1	11
8	Sachin Tendulkar	10	2
9	Mahendra Singh Dhoni	9	3
10	Virat Kohli	8	4
11	Alia Bhatt	7	5

Table 5.30: Celebrity Potential in FMCG Products (Rank Wise)



Graph 5.30: Celebrity Potential in FMCG Products (Rank Wise)

Interpretation:

According to the above table, Amitabh Bachchan is the most powerful celebrity so that a large number of respondents gave him top rank in product endorsement. Sachin Tendualkar is a powerful personality as a sport person and he got 2nd position in this category. Mahendra Singh Dhoni and Virat Kohali are also good sport persons and they stay on respectively 3rd and 4th position on the table. In female category, actress Alia Bhatt (5th position) and Aishwarya Rai (6th position) have been considered as good in celebrity potential in the product endorsement. Salman Khan has got 7th position by respondents and just behind was Shahrukh Khan with 8th postion in the above table. Kareena Kapoor, Shilpa Shetty both are considered as less potential in celebrity endorsement in FMCG product according to respondents and got respectively 10th and 11th position in the table. Lastly Varun Dhawan is considered an average celebrity by respondents in the product endorsement and gets 9th position in the above table.

5.2.5. Calculation and Interpretation of Hypothesis by Chi Square Test

Testing of Hypothesis:

1. Testing of H1& H3 according to Food and beverage products

H0: Consumers are not fully satisfied with FMCG products (Category- Food and Beverage)

Ha: Consumers are fully satisfied with FMCG products (Category- Food and Beverage)

	Male			Female		
			Chi Square			Chi Square
Level of satisfaction	F(o)	F(e)	value	F(o)	F(e)	value
Highly satisfied	19	23.97	1.03	24	19.03	1.30
Satisfied	53	59.10	0.62	53	46.91	0.79
Not sure	37	34	0.26	24	26.99	0.33
Dissatisfied	82	77.50	0.26	57	61.50	0.32
Highly Dissatisfied	32	28.43	0.44	19	22.57	0.56
Total	223	223	2.61	177	177	3.30

Table 5.31: Hypothesis Testing by Chi Square Test (Food and Beverage Products)

(Source: Field Survey)

Chi square value =2.61+3.30 = 5.91

Degree of freedom: (r-1) (c-1) Note: R stands for Row

(5-1)(2-1) = 4 C stands for Colum

Alpha level of significance (0.05) is 9.49

Interpretation:

Here chi square value (5.91) is below the value for 0.05 probability level (9.49) so we have to accept the null hypothesis (H0: Consumers are not fully satisfied with FMCG products) and reject alternative hypothesis (Ha).

2. Testing of H1& H3 according to beauty and personal care products

H0: Consumers are not fully satisfied with FMCG products (Category- Beauty/ Personal care)

Ha: Consumers are fully satisfied with FMCG products (Category- Beauty/ Personal care)

	Male			Female		
Level of			Chi Square			Chi Square
satisfaction	F(o)	F(e)	value	F(o)	F(e)	value
Highly satisfied	28	33.45	0.88	32	26.55	0.41
Satisfied	84	73.60	1.47	48	58.41	1.80
Not sure	24	30.10	1.23	30	23.89	1.56
Dissatisfied	63	63.55	0.004	51	50.44	0.006
Highly dissatisfied	24	22.30	0.129	16	17.71	0.163
Total	223	223	3.713	177	177	3.939

Table 5.32: Hypothesis Testing by Chi Square Test (Beauty / Personal Care Products)

(Source: Field Survey)

Chi square value =3.713+3.939 = 7.652

Degree of freedom: (r-1) (c-1)

(5-1)(2-1) = 4

Alpha level of significance (0.05) is 9.49

Note: R stands for Row

C stands for Colum

Interpretation:

Here chi square value is (7.652) which is below the value for 0.05 probability level (9.49) so we have to accept the null hypothesis (H0: Consumers are not fully satisfied with FMCG products) and reject alternative hypothesis (Ha).

3. Testing of H1& H3 according to Household products

H0: Consumers are not fully satisfied with FMCG products (Category Household)

Ha: Consumers are fully satisfied with FMCG products (Category- Household)

	Male			Female		
Level of			Chi Square			Chi Square
satisfaction	F(o)	F(e)	value	F(o)	F(e)	value
Highly satisfied	29	35.12	1.06	34	27.87	1.34
Satisfied	83	72.46	1.53	47	57.52	1.92
Not sure	23	28.99	1.23	29	23.03	1.55
Dissatisfied	63	63	0	50	50	0
Highly Dissatisfied	25	23.43	0.10	17	18.58	0.13
Total	223	223	3.92	177	177	4.94

Table 5.33: Hypothesis Testing by Chi Square Test (Household Products)

(Source: Field Survey)

Chi square value =3.92+4.94 = 8.86

Degree of freedom: (r-1) (c-1)

(5-1)(2-1) = 4

Alpha level of significance (0.05) is 9.49

Note: R stands for Row

C stands for Column

Interpretation:

Here chi square value (8.86) is below the value for 0.05 probability level (9.49) so we have to accept the null hypothesis (H0: Consumers are not fully satisfied with FMCG products) and reject alternative hypothesis (Ha).

4. Testing of H2: Though the celebrity endorsement has been adopted by advertisement for promoted of FMCG product but adoption of appropriate ethical strategy is missing for advertisement of FMCG products.

H0: As per given information in advertisement, advertisers do not follow ethical strategies and development with celebrity endorsement

Ha: As per given information in advertisement, advertisers follow ethical strategies and development with celebrity endorsement

	Male			Female			
Level of			Chi Square			Chi Square	
satisfaction	F(o)	F(e)	value	F(o)	F(e)	value	
Highly satisfied	21	23.97	0.36	22	19.02	0.46	
Satisfied	32	30.67	0.05	23	24.33	0.07	
Not sure	80	86.42	0.47	75	68.58	0.60	
Dissatisfied	69	62.99	0.57	44	50.00	0.72	
Highly Dissatisfied	21	18.95	0.22	13	15.04	0.27	
Total	223	223	1.67	177	177	2.12	

Table 5.34: Hypothesis Testing by Chi Square Test (Strategy and Ethical Development of Advertising)

(Source: Field Survey)

Chi square value =1.67+2.12 = 3.79

Degree of freedom: (r-1) (c-1) Note: R stands for Row

(5-1)(2-1) = 4 C stands for Column

Alpha level of significance (0.05) is 9.49

Interpretation:

Here chi square value is (3.79) below the value for 0.05 probability level (9.49) so we have to accept the null hypothesis (H0: advertisers do not follow ethical strategies) and have to reject alternative hypothesis (Ha).

<u>Chapter – Six</u>

Findings and Suggestions

Chapter – Six

Findings and Suggestions

Findings, Conclusions and Suggestions

The present study is an attempt made to know the effect of celebrity endorsement on consumer's buying behavior with respect to FMCG products and to find the consumers views on celebrity endorsement. On the basis of all data and hypothesis testing it is clear there is no significant effect of celebrity endorsement on consumers buying behavior regarding to FMCG products.

As per this study, it find that the celebrity endorsement is a very useful marketing communication tool and also useful for creating new product information and brand recall among consumers. In India, many celebrities are treated as a sovereign and influence the people to buy the products. But overall impact of celebrity is very low on FMCG products.

6.1. Findings on the Basis of Data Analysis

On the basis of the various responses given by respondents, many findings were concluded. These are the following

- Out of total 400 respondents, 136 (34%) respondents are graduates followed by 98(24.50%) respondents who are under VI to X class group. 82 (20.50%) respondents are in XI to XII class group, the number of the postgraduate respondents is 80(20%) and only 4(1%) respondents are below class V group. This clearly shows that, most respondents are from the Graduate category. so it is very clear that more respondents are aware and conscious about advertisements. And they also aspire to be like the celebrity, especially sportsmen and film actors/ actress.
- Out of the total respondents, 190 (47.50%) respondents think advertisement is a very popular medium of marketing. This shows that a large number of respondents believe advertisement is very suitable and easy for presenting a new product in market.

- On the basis of obtained data, 214 (53.50%) respondents like television advertising because television is an important part in our daily life.
 Consumers or customers get knowledge without moving anywhere. 96 (24%) respondents are interested in internet advertising. In today's scenario most of the people have mobile phones and laptops, and are using internet facility on it.
- Most of the respondents, 214 (53.50%) like celebrity(s) in advertisement. Many buyers or consumers perceived celebrity as an icon, they want to become as great as the celebrities and follow their comments, dialogues and personalities. Celebrity endorsement is very useful for new product introduction and product recall.
- About 166 (41.50%) respondents think celebrity endorsement is a good idea. It contributes to increase demand of the product.
- Out of the total respondents, 124 (31%) respondents prefer athletes/ sport persons as a celebrity in the advertisement. Many people are attracted by their fitness. At the second position, 116 (29%) respondents prefer actress for a large number of household and beauty products.
- Out of the total 400 respondents, 132 (33%) respondents think sometimes advertisement can increase product attraction and 128 (32%) respondents assume advertisement always increases product attraction.
- About 140 (35%) respondents are sometimes attracted by celebrity. While 108 (27%) respondents are always attracted by celebrity in advertisement by their styles, dressings and looks; the respondents sought them as icon.
- In this study about 124 (31%) respondents believed that celebrity can increase product selling sometimes but not always as there are many factors which can directly or indirectly affect the sale of product.
- In any advertisement, given information should be true and relevant.

 Advertisers should not mislead the viewers or consumers. It is closely relevant to ethical behavior of advertisers and manufacturers. As per the

survey conducted under this study, out of total 400 respondents, 152(38%) say sometimes all given information is right. In this context 110 (27.50%) respondents don't believe that all information is right in the advertisement. Most of the respondents believed that not all, but a lot of information that has been given in the advertisement is true. Advertisers cannot betray the consumers in this scenario, where all consumers are aware of the product.

- Out of the total 400 respondents, 146 (36.50%) respondents discussed the product with others sometimes when they attract or impress them.
- Negative advertising is like a threat to celebrity image. It can harm the
 credibilty among the consumers/ customers. Out of the total 400
 respondents, 148 (37%) respondents say negative advertising is a
 nightmare for celebrity image. It can create a contrasting image for the
 celebrity than what was desired.
- It is found that majority of respondents 190 (47.50%) accept that they purchase foods and beverages. 126 (31.50%) respondents purchase household products amongst FMCG products. Only 84 (21%) respondents purchase personal care products. This shows food and beverage products are purchased at large scale rather than other FMCG products.
- A large number of respondents, 160 (40%) respondents purchase FMCG products on monthly basis. 144 (36%) respondents purchase FMCG products on weekly basis. Data shows frequency of purchasing FMCG product is neither very short nor very long. It is purchased as per their requirement.
- On the basis of the survey data, it can be concluded that the factors which influence the most while buying the FMCG products is brand name which is selected by 176 (44%) respondents. Brand name is very useful for any FMCG product. Quality products create very good image and are established as a brand then they do not need to promote themselves in future. They are known by their names, like apple mobile phone, gadgets. About 100 (25%) respondents believe that the price is a big factor at the

time of purchasing because price of a particular product may be or may not be affordable to customer. It has been found that use of celebrity does not put any impact on consumer purchase decision when the brand name and price is concerned especially in FMCG products.

- It is clearly found that recommendation is a very important factor when there is planning to purchase a product. Among 400 respondents, most of respondents, 140 (35%) discuss with family while purchasing. In this study approx 51% respondents are married and they discuss with their family, whenever they are buying the product.
- According to this survey, 142 (35.50%) respondents sometimes prefer those products which are promoted by celebrity endorsement. 80 (20%) respondents always prefer those products which are endorsed by celebrity. When a new product is intorduced to the consumers with the use of celebrity endorsement, customers don't think too much and easily accept the statement of the celebrity.
- Most of the respondents are attracted by celebrity in advertisement. About 120 (30%) respondents are attracted by celebrity endorsement in advertisement where as 112 (28%) respondents are attracted by music/ jingle of advertisement.
- In print media, around 168 (42%) respondents assume a plenty of ads are using celebrity endorsement. 132 (33%) respondents suppose there are sufficient ads on print media which are using celebrity endorsement. Respondents believe that use of celebrity in print media is on a very large basis.
- In electronic media, around 166 (41.50%) assume there are sufficient electronic media ads using celebrity endorsement. 124 (31%) respondents believe there are plenty of ads on electronic media which are using celebrity endorsement. Respondents suppose that use of celebrity in electronic media is very large.

- In FMCG products category, a number of respondents, 139 (34.75%) respondents were dissatisfied with those food and beverage products which were endorsed by celebrities. Some of the respondents, 132 (33%) were satisfied with beauty / personal care products and some of the respondents, 130 (32.50%) were satisfied with household products. Many consumers also believe that the products are not as worthwhile as claimed by the celebrities. Most of the respondents believed consuming of soft drink doesn't make them strong/ daring as endorsed in the advertisement. Beauty/ personal care products cannot do a dramatic change in their life but it helps them to live with a new lifestyle. Overall, respondents feel satisfied with all those products which are promoting with ethical behavior.
- It is revealed that most the advertisements are viewed on television, which is established at the top amongst all the sources. Newspaper is stable on 2nd rank. Now a days internet facility is easily available on mobile phones and has become an important part of human lifestyle; it is fixed on 3rd rank. Billboards get 4th rank. Radio remains on 5th position, and remaining 6, 7, 8, positions are respectively held by periodicals, brochures and kiosks. Trade Shows and other sources of advertisement are the least viewed.
- as endorsement of FMCG products is concerned. A large number of respondents gave him top rating in the product endorsement. In female category, actress Alia Bhatt and Aishwarya Rai have been considered as good (respectively 4th and 5th position) as celebrity potential in the product endorsement. Sachin Tendulkar and Mahendra Singh Dhoni are also favorite celebrities among respondents as sport persons. Both are stable on 2nd and 3rd position in celebrity potential regarding the product endorsement. Salman Khan has got 7th position and just after Shahruk Khan got 8th position in his potential in FMCG products. Varun Dhawan, Kareena Kapoor and Shilpa Shetty are considered average celebrity by

respondents in the product endorsement. Amitabh Bachchan and Sachin Tendulkar are the most powerful endorsers as their name has never been embroiled in any controversy and as such they carry a clean image amongst the consumers.

6.2. Findings on the Basis of Hypothesis Testing

- There is no significant impact of celebrity endorsement on consumer buying behaviour and consumer satisfaction. Majority of respondents were less satisfied with endorsed FMCG products.
- Advertisers do not adopt appropriate strategy for the ethical development.
 Many respondents think many advertisers give wrong information about the product and do mislead the consumers.

It has been found that unethical and contradictory promotion has been done by celebrities. For an example the advertisement shown below endorsed by Lara Dutta is contradictory to the previous advertisement of the same product.

Picture shows the unethical and contradictory promotion of a reputed brand

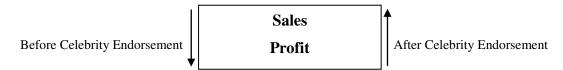


Image 6.1: Unethical Promotion

(Adopted from- www.google.com/)

Example of some products which were affected and not affected by celebrity endorsement

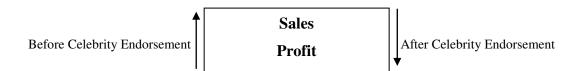
1. Positive Impact of Celebrity Endorsement on Product



Example- Parker Pen endorsed by Amitabh Bachchan, According to Jain D.K.(Chairman and President, Luxor Writing Instruments Pvt. Ltd.), "Using face and fame of Amitabh Bachachan as our brand ambassador has helped in increase our brand image and recall within the target audience," (Interview to Brand Speak on exchange4media.com)

(Source: http://www.thehindubusinessline.com/todays-paper/tp-brandline/the-evergreen-celebrity/article2204206.ece)

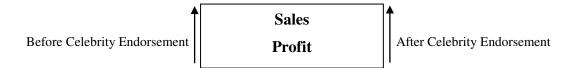
2. Negative impact of Celebrity Endorsement on Product



Example- Got Milk commercials became a popular spot for celebrities after its beginnings in 1994. Product featured with many celebrities like- Taylor Swift, Reggie Bush, David Beckham, Carrie Underwood, Shaq, and Demi Lovato. Print advertisements were seen in magazines around the world. In 2004, MilkPEP board chose to add the Olsen twins sister (Mary Kate and Ashley Olsen) to their array of celebrities. After the advertisement was published the bottom fell out for milk mustache lovers everywhere. Rumors were already spreading that Olsen twins are addicted to drugs. Apart from this, both were not looking very healthy.

(Source: http://www.therichest.com/expensive-lifestyle/entertainment/10-most-humiliating-celebrity-endorsement-flops/)

3. No Impact of Celebrity Endorsement on Top Ranked Product

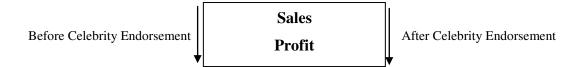


Example- As per to 'indianewsandtimes.com' Vicks in India stands on first position in selling consumer healthcare over the counter brand and Vicks multi pain relief gel is endorsed by Virat Kohali. As per 'drugstorenews.com' (Feb 2016) Private-label coughcold brands Vicks is the most searched for product when consumers are seeking remedies for their sniffles, coughs and stuffiness online.

(Source 1: http://www.indiannewsandtimes.com/2014/10/10/vicks-offers- virat-kohlis- secret-pain-relief-formula/)

(Source 2: http://www.drugstorenews.com/sites/drugstorenews.com/files/Cough- Cold_ 020816.pdf)

4. No Impact of Celebrity Endorsement on Lower Ranked Product



We can take example of Henko LINTelligent (Detergent powder), According to author 'Ram Sharma' posted in trendingpost.com (December 2016), the product 'Henko LINTelligent' (Detergent powder), has been represented by Madhuri Dixit. Still the ranking of the product was ranked 10th among the ten best detergent powders in India.

(Source: http://www.trendingtopmost.com/worlds-popular-list-top-10/2017-2018-2019-2020-2021/product/best-selling-detergent-brands-india-famous-cheapest-expensive-reviews)

Figure: 6.1 Impact of Celebrity Endorsement on Some Product

- Researcher also elaborated other kinds of advertisements to promote the products which are the following
 - (A) Digital Sign Board is referred to use of technologies in billboard advertisements. Advertisers use lighting or moving objects in this boards to attract customers.
 - **(B)** Live Performance is referred to act/perform at particular place. This act is done to promote a product. For an example Nukkad Natak.
 - **(C) Body Tattoo** is referred to body modification where a design is made by inserting ink, dyes and pigments, either indelible or temporary, into the dermis layer of the skin. It could be a new kind of promotion where any advertisers or marketers approach someone to make product tattoo on their body to promote it, with terms of paid or unpaid.
 - (D) Bird View (Crop Circle) is composed/design of big size compositions on the surface of the earth that can be easily seen from the sky or height. Marketers can also promote their product in such a way that it can be visible by drones, airplanes and other gadgets.

6.3. Conclusion

According to the research and previous studies on celebrity endorsement it has been analyzed that brand managers should focus on quality rather than increase their cost by hiring international/expensive celebrities for endorsement. There is no doubt that celebrity endorsement has effects on marketing effort but it is not necessary to hire expensive celebrities to accomplish the purpose of sale of FMCG product. Celebrity endorsement enhances product information but in the long run consumer depends on product quality and utility. A large number of respondents believes that celebrities are not using those products which they themselves endorse and in backward and rural areas where less communications mix was available, population get informed by "Word of Mouth".

The findings of the current study showed that consumers have favourite brands that they buy again and again. They agree that even if there will be no celebrity endorsement on particular product(s) they will continue to buy the product based on their satisfaction and brand loyalty. The present research draws a conclusion that positive celebrity information regarding the FMCG product given through celebrity endorsed product(s) and good celebrity image can improve the product/brand image. But at the same time, negative information can destroy the product/brand image. In order to get market share cost effectiveness, true information about the product should be given to customers, because ethical behave is a long term factor to make product image among consumers for sustainability, especially in FMCG products.

The study revealed that celebrity endorsement is very useful for new FMCG product launch. The advertisers have to keep in mind that the customers are quite aware their rights; so adoption of unethical promotion of FMCG products through celebrity endorsement should not be used.

6.4. Suggestions

- FMCG companies should make qualitative products rather than high expenses on endorsement.
- Firms should also develop quick response contingency plans.
- Awareness levels achieved or changed attitudes of the customers towards products or services should be measured prior to celebrity endorsement and after celebrity endorsement.
- Marketers should know about consumer's desire prior to taking the decision of endorsement by celebrity.
- Message should be made fit to the goal.
- A product which is more relevant to consumer's usability should be made.

- Marketers should not promote a product too much. Consumers believe that the product is not successful in the market, hence this strategy has to be used more by marketers to influence the consumer. This strategy is only suitable and useful at the time of product launching or at the decline stage.
- Too much advertisement and promotion is an important factor of increasing cost of a product, therefore marketers should focus on the product quality rather than promotional activities.
- Ethical content is an important factor in celebrity endorsement. This should be kept in mind by marketers (as seen in Image no 6.1, Unethical Promotion, page no.-145) advertisement endorsed by Lara Dutta of a reputed toothpaste brand).

Celebrity Endorsement Advertisement Model

Advertisement plays a very important role in promotion of any product or services. With the help of advertisement, advertisers or manufacturer can increase product awareness among people. This awareness is helpful in increasing product sale and recall. Advertisements should be carefully created to ensure they do no decrease or damage product attraction.

On the basis of the research study, the researcher suggests a model of advertisement for advertisers to help them make/ present suitable advertisement of a FMCG product(s)

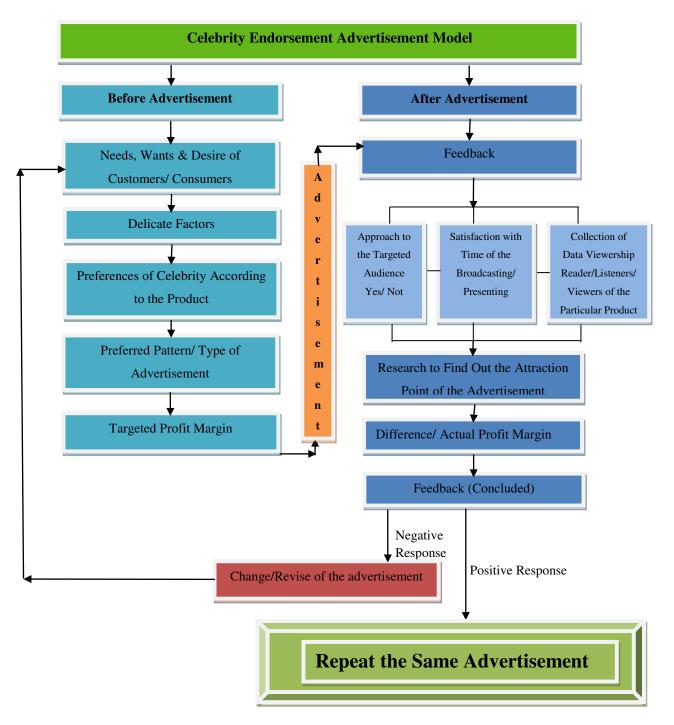


Figure: 6.2 Success Model of Advertisement

(Source: Researcher)

1. Suggestions Before Advertisement

Firstly, the advertisers must be aware of customer/ consumer needs, wants and desires for the particular product or service. It helps to make a suitable product and also helps to get knowledge about customer mindset. After this

the advertiser should provide a free sample, discount and other delicate lucrative factors offer to attract the consumers for buying the products. After this process, the main stage is the selection of the right celebrity for a particular product. Each celebrity has his own attributes, so the advertiser must know which one attribute is closely related or matched with the product. For example, Amitabh Bachchan has very powerful voice and shows sincerity, so the advertiser can use his voice as product presentation them main attributes of Alia Bhatt are cute and chunky looks. So the advertisers can use her name or face in advertisements for watches, footwear, beauty products and accessories. After selecting the celebrity for endorsement, advertisers should investigate and analyse consumer preferences about what pattern of advertisement will suit on the particular celebrity. After the selection of advertisement pattern, advertisers estimate about their target profit margin before using the celebrity in the advertisement.

2. Suggestion After Advertisement

Once the product advertisement is created, the first thing for advertisers is to collect the feedback from approach to the targeted audience, time of the broadcasting/presenting and collection of data viewership reader/listeners/ viewers of the particular product For example, the advertisers want to advertise their blankets, then their target audience should be linked to the cold areas otherwise their advertisement will not have any impact. The next step is the time of broadcasting of the advertisement. The broadcasting time is very important so that more viewers can watch or notice the advertisement. After this step, advertiser should find out the number of viewers of the advertisement to ascertain the level of awareness among the viewers. A good slogan or punch line is the soul of the advertisement. Punch line and slogan is helpful in taking the product one step further and also helpful in mouth publicity. Advertisers can estimate the product's prominence with the help of these slogans. Now the main work of advertisers is to compare between assumed and actual profit margin. So they

can estimate the profit or loss properly. Advertisers can collect responses or feedback from respondents. If negative feedback is received about the advertisement then he has to go back to the first steps, where the wishes of the customer and other steps should be ascertained. If the advertisers receive positive feedback, as well as increase in profit, it means "advertising is successful" and he can continue with the same advertisement.

6.5. Limitations of the Study

Although every effort was made to conduct the survey as rigorously as possible yet certain limitations are unavoidable and such limitations are as follows:

- Non responsive behavior of the respondents.
- Lack of the interest of the respondents.
- Lack of the trust of the given information by respondents.
- Confusing mind state of the few respondents.

6.6. Scope for Further Research

- In depth study of advertisement management for FMCG products
- A critical evaluation of ethical advertising.
- Comparative study between celebrity endorsement and non celebrity endorsement.
- Scope of celebrity endorsement in modern era for FMCG, Automobile and other sectors.

Appendix

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Questionnaire

Research Papers published during the Research work

Paper Presented in Conferences

Course Work Certificate

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QUESTIONNAIRE

Dear Sir/Madam,

Hello. I am conducting a survey on "Effect of Celebrity Endorsement on Consumers: A Study of Selected FMCG Products" Kindly spare some of your valuable time to go through the questionnaire and give your valuable views on the topic. Please answer the questions carefully and thoughtfully. I want to assure you that I am not selling any product and the information provided by you would be kept confidently and will be used for this survey only.

Please (✓) in appropriate box.

Section I
Q.1 Name of the respondent?
Q.2 Gender of the respondents?
(A) Male
(B) Female
Q.3 Age of the respondents?
(A) Below 18 years
(B) 18- 25 years
(C) 25-40 years
(D) 41-60 years
(E) Above 60 years
Q.4 Marital status of the respondents?
(A) Married
(B) Unmarried
Q.5 Education level of the respondents?
(A) Less than V
(B) VI – X
(C) XI – XII
(D) Graduate
(E) Post graduate and above

xxvi

Q.6 Occupation of the respondents? (A) Service (B) Business (C) Professional (D) Student (E) Housewife (F) Other(than specify:)
Q.6(A) If earn, then monthly income? (A) Less than 10000 Rs. (B) 10001- 20000 Rs. (C) 20001- 30001 Rs. (D) 30001-40001 Rs. (E) 50000 and above Rs.
Section II
Q.7 According to you, what is the popular medium of marketing? (A) Advertisement (B) Sales Promotion (C) Event (D) Social media (E) E- marketing / Telemarketing
Q.8 Which type of media advertising do you like? (A) Print advertising (B) Radio advertising (C) Television advertising (D) Internet advertising (E) Outdoor Hoardings /Billboards
Q.9 Which type of advertisement of FMCG products you like much? (A) Celebrity (B) Non- celebrity (C) Animation (D) Containing social message (E) Depend on advertisement

Q.10 Do you think that involvement of celebrity endorsement is good idea for
FMCG Products?
(A) Always
(B) Oftenly
(C) Sometimes
(D) No
(E) Can't say
Q.11 Which celebrity endorser you prefer to see in FMCG product
advertisement?
(A) Actor
(B) Actress
(C) Athlete and sport person
(D) Musician
(E) Cartoon character
Q.12 In your opinion, does advertisement increase FMCG product attraction?
(A) Always
(B) Oftenly
(C) Sometimes
(D) No
(E) Can't say
Q.13 Are you attracted by celebrity, who are seen in FMCG products
advertisement?
(A) Always
(B) Oftenly
(C) Sometimes
(D) No
(E) Can't say
Q.14 Do you think that celebrity can improve in FMCG product selling?
(A) Always
(B) Oftenly
(C) Sometimes
(D) No
(E) Can't say
(L) Can t say

Q.13 Do you mink that an the information given in advertisement
which has endorsed by celebrity are trustworthy?
(A) Always
(B) Oftenly
(C) Sometimes
(D)No
(E) Can't say
Q.16 Do you discuss about advertise FMCG products with others which are endorsed by celebrity?
(A) Always
(B) Oftenly
(C) Sometimes
(D) No
(E) Can't say
(E) Can't say
Q.17 Do you think that negative advertising can damage the image of the celebrity? (A) Always (B) Oftenly (C) Sometimes
(D)No
(E) Can't say
Section III
Q.18 What type of FMCG product you Purchase more? (A) Food and beverage (B) House hold (C) Personal care
Q.19 Frequency of Purchasing FMCG products? (A) Daily (B) Weekly (C) Monthly (D) Half yearly (E) Yearly

Q.20 Which Factor affect / influence you more while purchasing FMCG
products? (A) Price
(B) Packaging
(C) Brand Name
(D) Ingredients / Contents
(E) Celebrity endorsement
(E) Celebrity endorsement
Q.21 Whose recommendation you prefer more, while you are purchasing
FMCG products?
(A)Own
(B) Family
(C) Friend
(D) Shopkeeper
(E) Online asking
O 22 De serve grafe et le se FMCC es et le stantist en la le se et le stantist en la se et le
Q.22 Do you prefer those FMCG product which are endorsed by any
celebrity?
(A) Always (B) Oftenly
(C) Sometimes
(D) No
(E) Can't say
(D) can't say
Q.23 What reason attracts you towards a FMCG advertisement?
(A) Celebrity endorsement
(B) Non celebrity presence
(C) Music / jingle of advertisement
(D) Theme of advertisement
(E) Content of advertisement
Q.24 Do you feel the number of print media ads using celebrity endorsement
for FMCG products are?
(A) Less
(B) Plenty
(C) Sufficient
(D) Not sufficient
(E) Can't say

Q.25 Do you feel the number of electronic media ads using celebrity
endorsement for FMCG products are?
(A) Less
(B) Plenty
(C) Sufficient
(D) Not sufficient
(E) Can't say
Q.26 Do you feel satisfied when a food and beverage product is endorsement
by the celebrity?
(A) Highly satisfied
(B) Satisfied
(C) Not Sure
(D) Dissatisfied
· ·
(E) Highly Dissatisfied
Q.27 Do you feel satisfied when a personal care / beauty product is endorsed
by the celebrity?
(A) Highly satisfied
(B) Satisfied
(C) Not Sure
(D) Dissatisfied
(E) Highly Dissatisfied
Q.28 Do you feel satisfied when a household product is endorsed by the
celebrity?
(A) Highly satisfied
(B) Satisfied
(C) Not Sure
(D) Dissatisfied
(E) Highly Dissatisfied

Section IV

Q.29 Please arrange following type of advertising which you seen in your daily lives.

Higher Lesser
1 2 3 4 5 6 7 8 9 10

S. N.	Advertising Type	Rank
1	Newspaper	
2	Brochures	
3	Periodical (magazines)	
4	Billboards	
5	Kiosks	
6	Trade shows (Event)	
7	Television	
8	Radio	
9	Internet	
10	Other	

Q.30 Please arrange following celebrities on their potential in FMCG products.

Higher Lesser

1 2 3 4 5 6 7 8 9 10 11

S. N.	Celebrity Name	Rank
1	Amitabh Bacchan	
2	Shahruk Khan	
3	Salman Khan	
4	Varun Dhawan	
5	Aishwarya Rai	
6	Kareena Kapoor	
7	Shilpa Shetty	
8	Sachin Tendulkar	
9	Mahendra Singh Dhoni	
10	Virat Kohli	
11	Alia Bhatt	

DATE SIGNATURE

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A Study on Buying Behavior of Rural Consumers towards FMCG Products with special reference to Indian Rural Consumers

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ABSTRACT

India is large population country; approximately 12.6 billion live in India. More population of India approximately 70% live in villages. So manufacturer huge focused on rural market. With more type of promotion manufacturer penetrate in this market. They clearly know that more sale generate more revenue. Now buyer /consumer are more conscious about product so they purchase anything very carefully. FMCGs (Fast moving consumer goods) are very short in life like daily uses thing like Beverages, bakery, sugar, detergent soap. FMCG are also called by consumer packaged goods. Although FMCGs product are non-durable goods buyer don't think so much for purchase it. But presence of lot of competitor in this market, Buyer is always aware what he or she going to purchase. Buyer behavior and perception is very much affected on product. The objective of this paper analyze to buyer behavior towards FMCG product in rural markets. The paper also highlights the major FMCG products used by the consumers.

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Introduction

FMCG products have short life time. And they are also non durable goods and also perishable. Which are sold very less margin. Mostly FMCG goods are define short term period like less than one year life. FMCG supplied in the retail marketing as per daily demand of a consumer.

Now consumers are more aware to purchase FMCG product. So they prefer more relative product for them. A very small mistake can effect largely on its demand.

With the presence of population approx 72% in the villages of India, the Indian rural FMCG market is something no one can overlook. Increased focus on farm sector will boost rural incomes, hence providing better growth prospects to the FMCG companies. According to FICCI Technopak Report 2009,FMCG industry is projected to grow by 12% and reach a size of US \$ 43 billion by 2013 and US \$74 billion by 2018.

The Indian FMCG sector with a market size of USD 14.8 billion is the fourth largest sector in the economy. The FMCG market is set to double from USD 14.7 billion in 2008-09 to USD 30 billion in 2012. FMCG sector will witness more than 60% growth in rural and semi-urban India by 2010. Indian consumer goods market is expected to reach USD 400 billion by 2010.

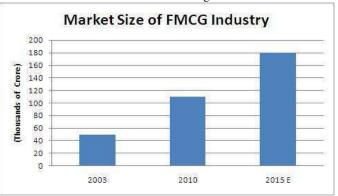
Major Players in this sector include HUL (Hindustan Unilever Ltd.), ITC (Indian Tobacco Company), Nestlé India, GCMMF (AMUL), Dabur India, Asian Paints (India), Cadbury India, Britannia Industries, Procter & Gamble (P&G) Hygiene and Health Care, Marico Industries, Nirma, Coca-Cola, Pepsi and others.

FMCG Rural Growth

In a Press Release on January 3rd 2010, The Associated Chambers of Commerce and Industry in India (ASSOCHAM) have forecasted an extremely robust growth in the FMCG sector. The Press Release is detailed below: Fast Moving Consumer Goods (FMCG) will be witnessing more than 50% of growth in its Rural and Semi-Urban Segments by 2012 which in

totality is projected to grow at an CAGR of 10% to carry forward its market size to over Rs.1,06,300 crore from present level of Rs. 87,900 crore, according to an analysis carried out by the Associated Chambers of Commerce and Industry of India (ASSOCHAM).

What is consumer behavior- consumer behavior be defined as- The decision process and physical activity, individual engage in when evaluating, acquiring, using and disposing of goods and service. The following figure provides the growth of FMCG sector in India 2003-2010 and estimated growth for 2015.



The above figure clearly indicates that, there is a steady growth in the market size of FMCG sector in India over the last ten years. The market size was around Rs. 50000 cores in 2003, it is around 120000 cores in 2010 and if the same trend continues, it will reach around 180000 cores in 2015.

Consumer Behavior

The term of consumer behavior comprises of two words consumer and behavior, here consumer refer to an individual who is engaged in various purchasing process. And behavior refer to perception and related activity of purchase of an individual.

More than a century ago the pattern of our nation, Mahatma Gandhi, has made a visionary and deep meaningful statement at

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South Africa 1890- "A customer is the most important visitor on our premises." Now we can see many developments and changes taking place around us with all the industries and firms within each industry trying to keep pace with the change and diverse need of the people. Main challenges for marketers to understand diversity of consumer behavior towards product. Today the company image is built and made by its customer. The success of firm will be determines by how affective it has been meeting the diverse consumers needs and wants by treating each customer unique and offering products and service to suit his or her needs.

Need for studying consumer behavior – consumer behavior can be said to be the study of how individuals make decision on how to spend their available resources on various consumption related items. Marketers specially focusing on following.

- 1. Who buy products and services?
- 2. How do they buy products and services?
- 3. Where do they buy them?
- 4. When do they buy them?
- 5. Why do they buy them?

FMCG Category and products

- 1.**Household** Care Fabric wash (laundry soaps and synthetic detergents); household cleaners (dish/utensil cleaners, floor cleaners, toilet cleaners, air fresheners, insecticides and mosquito repellents, metal polish and furniture polish).
- 2 **Food and Health beverages**; soft drinks; staples/cereals; Beverages bakery products (biscuits, bread, cakes); snack food; chocolates; ice cream; tea; coffee; soft drinks; processed fruits, vegetables; dairy\products; bottled water; branded flour; branded rice; branded sugar; juices etc.
- 3 .**Personal Care** Oral care, hair care, skin care, personal wash(soaps); cosmetics and toiletries; deodorants; perfumes; feminine hygiene; paper p

Objectives-

The objectives of this study were the following –

- 1. To find out the trends and growth of FMCG in India and Rural Markets.
- 2. To know the motivational factors of rural consumer towards FMCG product
- 3. To give suggestions to increase the rural market of FMCG products
- 4. To elaborate the popular tool of marketing and promotion in rural markets of FMGC products
- 5. To find out that celebrity endorsement have an impact on purchasing decision

Research Methodology-

For making this research realistic and successful, a questionnaire was structured. Through the help of the questionnaire, primary data has been collected. This research also includes secondary data which has been collected by various websites, books, research papers etc. The study is an empirical study.

Sample size- Total 200 rural consumers were interviewed and distributed the questionnaire in March 2013 .Out of 200 respondents around the area of Kota (Rajasthan) researchers got the responses of 125 respondents.

Hypothesis

- 1. Awareness about the FMCG products in rural market is satisfactory
- 2. Family, Price and Celebrity endorsements are the prime motivators which influence the buying behavior of rural consumers.
- 3. Advertising is the most popular tool of marketing of FMCG products in rural India.

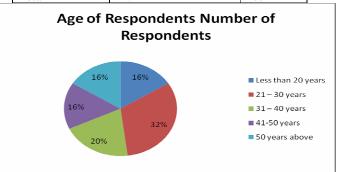
4. Celebrity endorsement have positive impact on buying decision.

Analysis and interpretation

Through the help of structured questionnaire, the study has been done. Each of the question covers the valid reasons to find out the factors, influences and demand of FMCG products in Rural markets. The analysis of the table is as follows:

Table 1

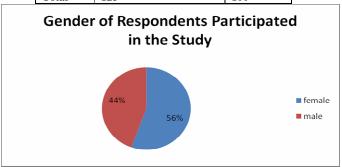
Age of Respondents			
Response	Number of Respondents	Percentage	
Less than 20 years	20	16	
21 – 30 years	40	32	
31 – 40 years	25	20	
41-50 years	20	16	
50 years above	20	16	
Total	125	100	



The first question was designed to find out the age of the respondents from who preferred were engaged in this study. The above table and the graph shows that most of the respondents are 21-30 Yrs. of age mainly involved in the research work for concluding the right market strategy and to find out the rural market environment.

Gender of Respondents Participated in the Study

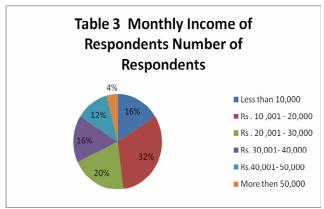
dender of Respondents I articipated in the Study		
Response	Number of Respondents	Percentage
Male	55	44
Female	70	56
Total	125	100



The table and graph 2 reveals that female respondents were higher than the male respondents. So marketers should be minding them.

Table 3

withing income of Respondents		
Response	Number of Respondents	Percentage
Less than 10,000	20	16
Rs . 10 ,001 - 20,000	40	32
Rs . 20 ,001 - 30,000	25	20
Rs. 30,001- 40,000	20	16
Rs.40,001-50,000	15	12
More then 50,000	5	4
Total	125	100

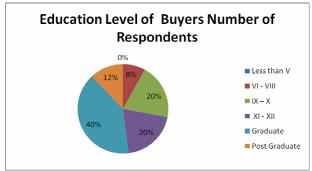


It is analyzed that the monthly income of people who shop is maximum in the between range of Rs . 10001–20000 which indicates that the respondents are willing to make expenditure on the FMCG purchasing of products

Table 4

Education Level of Rural Buyers

Education Ec	cror iturur buyers	
Response	Number of Respondents	Percentage
Less than V	0	0
VI – VIII	10	0.8
IX - X	25	20
XI – XII	25	20
Graduate	50	40
Post Graduate	15	12
Total	125	100



The said table analyzed the education level of the buyers (respondents) who have been involved in the research. It clearly shows that most of the respondents are having education upto Graduate. So it can be concluded that they are able to understand the language, content, terms and conditions of the product while shopping.

Table 5

Motivational Factors Behind Purchasing

Response	Number of Respondents	Percentage
Family	25	20
Price	25	20
Brand /Company	15	12
Content	2	1.6
Message	10	8
Celebrity Endorsement	30	24
Language	3	2.4
Packing	15	12
Total	125	100

The table and graph 5 reveals that the celebrity endorsement, Family and price are more affecting factor for consumer at purchasing time of product.

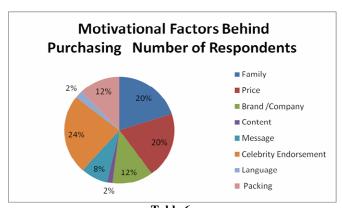


Table 6
Purchasing Duration of Respondents

Response	Number of Respondents	Percentage
Daily	20	16
Weekly	25	20
Every Six Months	12	9.6
Occasionally	18	14.4
Monthly	30	24
Yearly	20	16
Total	125	100

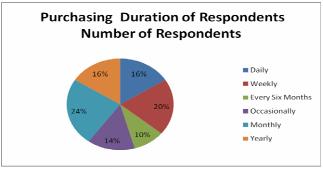


Table and graph 6 show that all time FMCGs product sell is more in monthly period. Because FMCGs products have short life.

Table 7

Popular Media of Marketing and Promotion

Response	Number of Respondents	Percentage
Personal Selling	35	28
Advertisement	50	40
Contest	20	16
Discounts	19	15.2
Tele Marketing	1	0.8
Total	125	100

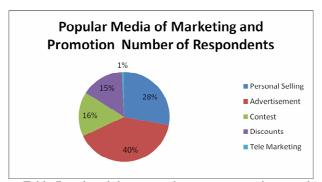
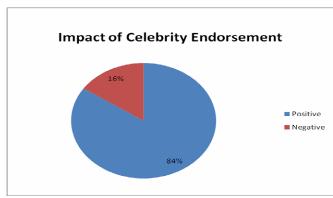


Table 7 analyzed that respondents were more interested to purchase in advertisement and personal selling. Advertisement huge source of knowledge about any know product and exist product. Customer prefer that thing earlier which he seen more and regularly.

Table 8
Impact of Celebrity Endorsement

impact of eclebrity Endorsement		
Response	Number of Respondents	Percentage
Postive	105	84
Negative	20	16
Total	125	100

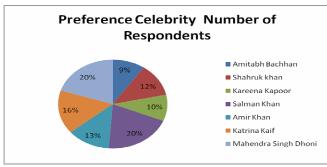


The above table reveals that the number of respondents are higher and positive in regards

Table 9

Preference Celebrity

Name of Celebrities	Number of Respondents	Percentage
Amitabh Bachhan	12	9.6
Shahruk khan	15	12
Kareena Kapoor	12	9.6
Salman Khan	25	20
Amir Khan	16	12.8
Katrina Kaif	20	16
Mahendra Singh Dhoni	25	20
Total	125	100



The last table and graph number 10 shows that most of the respondents Prefer that product which endorsement by Salman khan and Mahendra singh dhoni.

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Questionnaire

Hello Sir/Mam

I, Amit mathur, with the guidance and support of my supervisor I am here to conduct a research survey on the topics "Rural consumer behavior towards FMCGs product". Please give your honest opinion and understand that this information collected will be purely confidential and will not be shared for any purpose other than research.

Name -

(Please tick √ below)

(
1. Age -	
1) Less than 20 Yrs.	
2) 21–30 Yrs.	
3) 31–40 Yrs.	
4) 41–50 Yrs.	
3) Above 50 Yrs.	
2. Gender –	
1) Male	
2) Female	
2 I (Man)	1.1

3. Income-Group (Monthly) –

1)	Less than 10,000	
2)	10,001 - 20,000	
3)	20,001 - 30,000	
4)	30,001 - 40,000	
5)	40,001 - 50,000	
6)	More than 50,000	
4.	Education Level -	
1)	Less than V	
2)	VI - VIII	
3)	IX - X	

- 6) Post Graduate 5. Which motivational factors affect on you behind purchasing?
- a) Family
 b) Price

4) XI – XII

5)

Graduate

c) Brand /Company		a) Contest	
d) Content		a) Discounts	
e) Message		a) Tele Marketing	
f) Celebrity Endorseme	ent \square	8. Do you think any in	pact of celebrity endorsement on
g) Language		consumer behavior?	
h) Packing		a) Positive	
6. Duration of purchas	sing FMCGs product?	b) Negative	
a) Daily		9. Which celebrity, you n	nore prefer or follow?
b) Weekly		a) Amitabh Bachhan	
c) Every six month		b) Shahruk khan	
d) Occasionally		c) Kareena Kapoor	
e) Monthly		d) Salman Khan	
e) Yearly		e) Amir Khan	
7. What is popular me	dia of marketing and promotion?	f) Katrina Kaif	
a) Personal Selling		g) Mahendra Singh Dhoni	
b) Advertisement			



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INTERNATIONAL JOURNAL OF ADVANCED RESEARCH

RESEARCH ARTICLE

Mobile Advertising: An Empirical Study on Utility for Small and Local Traders of Kota Rajasthan

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Amit Mathur

Abstract

Globalization is a buzzword in the present era. Mobile phone and internet for connecting people easily and speedily that too at a very cheap cost. Every manufacturer wants to produce and sell their products worldwide. But without knowing of particular market or buyer, it is hard to sell. Earlier manufacturers and advertisers were able to approach the target customers only through limited mediums in limited areas, but after introduction of television and radio their accessibility for target audience have augmented at great extent. However, it is much expensive for smaller & local traders. Nowadays advertisers and manufacturers has found a new for promotion of their products or services that is advertisement through mobile phones. Customer is always unknown to new products and services. Mobile phones are probably the biggest medium to inform and communicate about the products /services to the potential buyers. New generation dwell so much time on mobile phones and internet. Thus, the usages of mobile advertising could be a better opportunity to push & promote new products through mobile phones rather than the traditional marketing. In this study we will focus on how advertisement by mobile phones like SMS's, Voice calls, push messages, mobile internet and other applications are helpful for local and small traders to promote their products and service in target market. The paper will also highlight the satisfaction level of the small and local traders regarding m-advertising strategies. Moreover, it an attempt has been made to present few models of madvertising by the researchers.

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INTRODUCTION

Advertisement is a new concept or idea to introduce new and existing product in market. Advertisers and manufacturers try to find new-new practice for introduce their product, for easily sale. So they have to focus on that's things which are very popular in buyers or peoples. In this technological era, mobile phone is a great invention. Today mobile phones are use much more than just making and receiving calls. Apart from voice calls, mobile users have access to data services with Short message service (SMS), apps download, pictures messaging and also mobile internet. If advertisers focus on advertising by mobile phones they can target a large number of people. The concept of Advertisement by mobile phones is introduced recently decades in world. It is very novel and innovative idea for Indian market.

Mobile advertising can be considered as subset of mobile marketing, is a medium of advertising or communicating about products & services through mobile phones to mobile phone users.

M- advertising is a emerging sector that's providing strategic way for agencies and marketers to connect with consumers, directly on their mobile phones. This form of advertising, product & services are promoted through SMS, MMS, advertising within mobile games & mobile videos, during mobile TV receipt, Mobile Web Banner or Poster as top of page or bottom of page, and audio advertisements that can be the form of a punch line/ jingle before a voice call such as movie ticketing or directory support. These media channels take both content and advertisement. Thus, mobile advertising is providing a platform and useful base for manufacturer, advertiser or marketer to promote their product and build brand image in a strategic manner at low cost.

At the point of view of marketing, Nysveen et al. [2005] explain a grid of mobile internet services classification that work on four primary axe, Which are person-interactive versus machine-interactive, and goal-oriented versus experiential services[3].

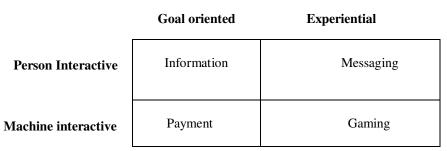


Figure 1: Classification of mobile Internet services
Source: Nysveen, Pedersen, and Thorbjornsen

Objectives of Study

- 1. To provide an outline of the fundamentals of mobile advertising.
- 2. To find out the benefits of the small traders through mobile advertising.
- 3. To highlight the satisfaction of the Small and local traders who are using mobile advertising.

Review of literature

According to Taezoon Parka et al. (2008) discussed in their study about the effect of mobile advertising, three groups of factors, which are- advertisement, audience, and environment [4]. Mobile advertisement focused on targeting audience. As per said by Nitin Mathur that mobile is last on the mindset for most advertisers[9]. According to Naveen Tewari, analysis will drive mobile advertising as it will make the ads more accurate and effective [9]. According to Prayeen Sharma, advertisers are trying to control the growth of mobile and are still trying to figure out how to exploit this[9]. Mobile is today the only medium that can deliver high reach, high engagement and high efficiency-all of this in a personalized manner (C.V.L. Srinivas, 2014)[15]. According to Evelyne Cleff (2005) The availability of physical location, personal information and other related data are seen to be the most valuable unique characteristics of mobile advertising which allow for one-to-one marketing strategies [7]. Any transaction with a monetary value that is conducted via a mobile telecommunications network (Muller-Versee, F. 2000) [2]. M-Commerce is the buying and selling of goods and services, using wireless hand-held devices such as mobile telephones or personal data assistants (PDAs)" (UNCTAD, 2002, 2004) [17]. As per the study of Sadeh (2002) characterizes m-commerce more broadly, as the emerging set of applications and services people can access from their Internet-enabled mobile devices[5]. According to rainish tiwari et al. A vast field of business opportunities is about to be created for technology providers who could offer mobile solutions to the service providers. SMEs from related technology fields may be ideally positioned for they possess competitive advantage by the virtue of their flexibility and specialization [6]. Kalstrom o (2003) M Commerce as a value-added service that enables mobile endusers to conduct reliable and secure transactions through specifically-designed mobile applications [1]. Mobile advertisement is based on mobile phones via internet services and network providers.

Research Methodology

The paper is an empirical research study , the data has been collected from both primary and secondary sources. The primary data has been collected through the structured questionnaire filled by the 80 small and local traders of Kota city, Rajasthan. The secondary data has been gathered from various secondary sources like research articles, published and unpublished scholarly papers, books, journals, speeches, newspapers, annual reports, databases available on various websites.

Sample Size

The data has been collected from Kota city of Hadoti region, Rajasthan. The questionnaire has been filled by 80(N=80) small and local traders of Kota.

Research Instruments

Descriptive statistics used as frequency counts and percentages were gathered. Analyses has been made using, mean and median scores to find out whether there is a significant difference in the advertising through traditional methods and mobile advertising. In questions 8 and 9, 5-point Likert type scale ranging from 1 (Highly Satisfied) to 5 (Highly Dissatisfied).

Hypotheses

H1:More usages of mobile advertising more growth rate of small and local business.

H2: Positive impacts on local small traders and potential customers.

Scope- The present study focuses upon M-advertising benefits and challenges which has been faced by the small and local traders at Kota city while adopting the m-advertising. Research is emphasized on finding out the level of usages and satisfaction of m-advertising.

Status of Telecom Industry in India

India is second largest telecom network in the world with its high population and development potential. Airtel, Vodafone, Idea, Reliance, Tata, Docomo, Bsnl, Tata Indicom, MTNL are major operators in India. India public sector telecom company BSNL is the 7th largest telecom company in India. According to telecom regulatory authority of India (TRAI) there are more than 90 crore mobile phone subscribers in India out of approx 121 crore populations. Its means here is more than 70 percent population are use mobile phones. According to the internet and mobile phone association of India (IAMAI) reports here is approx 4 crore are active mobile internet users in India. In all worlds there are 2.4 bn internet users, of which 1.5 bn access the internet through their mobile phones as a primary or secondary device. Average time spent on mobile (non-voice call) globally has grown 82 minutes per day.

Indian mobile advertising is a Rs.26000 crore market. According to research firm IMARC group expects this market to grow at a CAGR of around 36% during 2013-2016. According to analyst at IMARC group "Mobile phone is an extremely personal device that accompanies the user all the time".

Table: 1. Composition of Telephone Subscribers

Wireless subscribers		
Total wireless Subscribers	867.80 Million	
Urban Subscribers	525.30 Million	
Rural Subscribers	342.50 Million	

GSM Subscribers	794.03 Million
CDMA Subscribers	73.78 Million
Tele-density	70.85 Million
Urban Tele-density	140.67 Million
Rural Tele-density	40.23 Million

Source: Telecom Regulatory Authority of India Report (January- March 2013)

Small businesses are generally based on privately owned corporations, partnerships, or proprietorships. What constitutes "small" in terms of government support and tax policy varies depending on the country and industry. Small businesses range from 15 employees under the Australian Fair Work Act 2009, 50 employees according to the definition used by the European Union, and fewer than 500 employees to qualify for many U.S. small business Administration programs. In the Indian context Micro, small and medium enterprises as per the MSME Development Act, 2006 are defined based on their investment criteria in plant and machinery for manufacturing enterprise and on equipments for service enterprises. According to the Micro, Small and Medium Enterprises (MSME) Development Act of 2006, (India) a micro enterprise is where the investment in plant and machinery does not exceed 25 lakh rupees. A medium enterprise is where the investment in plant and machinery is more than 5 crore rupees but does not exceed 10 crore rupees. A small enterprise is where the investment in plant and machinery is more than 25 lakh rupees but does not exceed 5 crore rupees [10].

Definition of small business in India According to the latest Micro, Small and Medium Enterprises Development Act,2006, small enterprises are classified as-

Table 2: classification of Micro, Small and Medium Enterprises, MSME Development Act, 2006

Manufacturii	ng enterprises	Service e	nterprises
Unit	Investment criteria	Unit	Investment criteria
Micro	<25 lakh	Micro	<10lakh
Small	25 lakh – 5 crore	Small	10 lakh- 2 crore
Medium	5 crore – 10 crore	Medium	2 crore – 5 crore

Source: http://www.msme.gov.in

How do small traders benefit from Advertisement by Mobile phones -

Small traders or local traders

Mobile advertising part of m-commerce, is a very cost efficient technology for small traders. It can reach the large number of target audience anywhere anytime. So it is easier and most cost efficient medium of promotion of products and services rather than other traditional methods as print media or television for small traders who concern about money & advertising expenditure.

- 1. Easy approach to consumers- Mobile advertise is a new concept for Indian market, it is also very useful for small traders for connect consumers in local area or anywhere. Through mobile advertising traders hasn't spend lot of time of advertisement campaigning. They can connect with their consumers on one touch service.
- **2. Reasonability-** Advertisers or traders can advertise their product at very reasonable cost. They haven't spend lot of amount on expensive advertisement. They can also send bulk messages through internet on their exist consumers mobile number.
- **3. Always usable device** In spite of other device like computer or television, Mobile phones are always on. Just few people turn off their phone when they need to charge it batteries. People do always on their mobile phones so it is a good advantage for traders or advertisers that their advertisement will be seen easily by the mobile users.

- **4. Immediate response by consumers-** Through mobile phones, it is very cheap to reply by consumers to traders or advertisers. When any advertisers or traders post their advertise through mobile phones, customer can reply if he is interested. For example if any customer searching loan for study or purchasing something he can immediately reply to traders.
- 5. **Easier to access-** Peoples are mostly use their mobile phones for searching address, for price comparison because it is easier to access rather than desktop. Because customer not have to sit at same place, he can use this service at different-different place.

How Mobile advertising better than other media sources-

Following are the different reasons which define the advertisement by mobile phones is much better than other media sources.

- 1. **Easy availability-** Mobile is a very personal popular device among peoples, which carried and accessed every moment with their wallet. Today mobile phones handset & prepaid recharge card are available at affordable price according to consumer needs & preferences. So advertisers have big opportunity for connect with users or consumers easily through mobile technology.
- **2. Connect to target consumers-** By mobile phones advertisers can target local or broad market users like, he can select proper market or area which he want to introduce their product. For example a local cab service provider easily approach their target audience through advertise via mobile within their service area.
- **3.** Cost effectiveness- Small traders are not able to supply on large scale. They don't want to spent a lot of money in market on advertisement. Other media source of advertisement are too costly for him like-Television advertisement, radio advertisement. So advertisement by mobile phones like SMS's is also cost relevant for advertisers or manufacturer.
- **4. Reminder -** Access of mobile Phones is very easy for us. We can easily check old SMS's or App's and also can read or view it latter, when we get free. It is a instrument who enable to remind old thing and we can't miss through it.
- **5. Measurement-** Mobile phones is also enable tracking and measurement at a micro level compared to traditional medium. Like, advertisers can track the no. of seconds of a consumers dwell viewing video and consumers percentage.

Flow of advertisement

The flow of advertisement is very crucial issue while designing any advertisement. Actually the flow and the flow less communication between the advertisers and customers is the backbone of advertisement.

Advertisement process depend on communication between advertiser / trader to customers / prospective. Communication between both traders and customers should be easy and frequent. Initially advertisers / traders have to select way to approach to the customers. and then select two different way to connect with customers. First is select any telecom company and do agreement to advertise for their customer. Secondly they need to find bulk SMS's portal services. It may be free or chargeable. Finally in this way they message or communicate their customer. Customer receives a message or any information which is provided by advertisers or traders. After reading the advertisement, customer can provide their feedback to the advertisers or traders by using SMS service or internet. From the following figure it is easily be explainable.

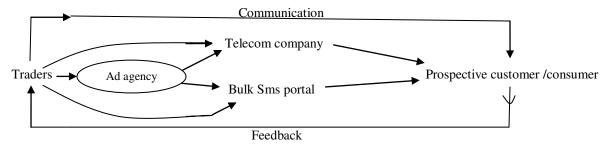


Figure 2: Flow of advertisement

Source: Researchers (Anukrati Sharma and Amit Mathur)

Meaning of M Commerce -

Mobile commerce (M commerce) has been defined as the facilitation of monetary transactions, including the purchase of product and service, using wireless device, like digital wireless phones or a personal digital assistant (PDA), to access the internet using a wireless data connections or private network [11]. In simple word mobile commerce is practice or marketing use by mobile phones and personal device assistant for transaction and communication between dispatcher and recipient.

M commerce origin -

Mobile commerce services were first delivered in 1997, when the mobile-phone enabled Coca Cola vending machines were installed in the Helsinki area in Finland, accepted payment through SMS text messages. First mobile phone banking service was launched in 1997 by Merita Bank of Finland. In 1998, the first sales of digital content as downloads to mobile phones were made possible when the first commercial downloadable ringtones were launched in Finland by Radiolinja. In 1999 New commercial Service "Smart Money" Launch in the Philippines. NTT DoCoMo's i-Mode Internet service in Japan. Mobile-commerce-related services spread rapidly in early 2000. In appointing Mr Hoffman, ETSI quoted industry analysts as predicting "that m-commerce is poised for such an exponential growth over the next few years that could reach US\$200 billion by 2004" [18].

Products and services available on mobile commerce-

- 1. Mobile Money Transfer
- 2. Content purchase and delivery
- 3. Mobile ATM
- 4. Mobile Banking
- 5. In-application mobile phone payments
- 6. Mobile brokerage
- 7. Mobile ticketing
- 8. Mobile vouchers, coupons and loyalty cards
- 9. Auctions
- 10. Mobile browsing
- 11. Mobile purchase
- 12. Location-based services
- 13. Information services
- 14. Mobile marketing and advertising

By the M commerce, mobile advertising is advertisement sent on mobile phones device. Now advertisers and manufacturer looking better opportunity and response through mobile marketing campaigns rather than traditional campaigns. Consumers can receive marketing messages, discount coupons, and other information in less time. And consumer will able make decision for buy or not, without disrupting their current real world activity.

M-commerce model-

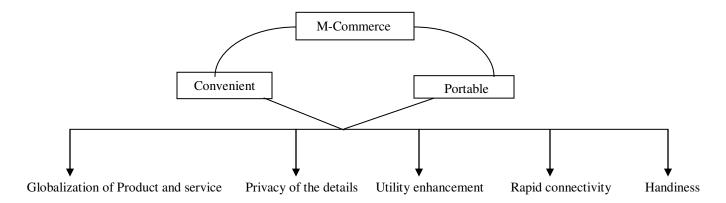


Figure3: M Commerce model

Source: Researchers (Anukrati Sharma and Amit Mathur)

The model of M-Commerce given by the researchers (Anukrati Sharma and Amit Mathur) divided on two basic aspects **First** is Convenient and **Second** is Portable. Mobile is a device, which is very suitable and easy to carry. Both aspects have following characteristics.

- 1. **Globalize of product and service** It is a very useful instrument for promote product and service in all over world on very low cost. In this technological era, more peoples are using mobile phones in all world.
- 2. **Privacy of the details-** It is better option to communicate with a particular customer. Any other person isn't interact by this. Mobile have many safety features. while other media of advertisement may affect on all peoples. So M Commerce is also suitable way for personalization.
- 3. **Utility enhancement-** It is also a very useful device for traders to connect with customers. For any enquiry and feedback customer use this facility at any time. It is also a useful way to expand business opportunities.
- 4. **Rapid connectivity-** It is very useful instrument for traders and customer for quick connect. Traders not need to waste much time like other mass media. Traders can connect with customer in very short time vice-versa.
- 5. **Handiness/ portable-** It is also very handy device, which may all time along with us. it can fit in our pocket and purse. We can easily move it anywhere without any difficulties. Other media source is not very handiness like Television, banner.

M-Commerce Life Cycle

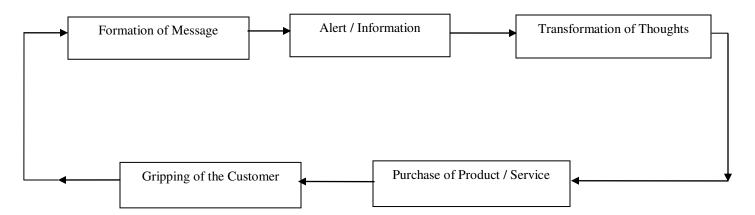


Figure:4 M-Commerce Life Cycle

Source: Researchers (Anukrati Sharma and Amit Mathur)

Usage of M-commerce

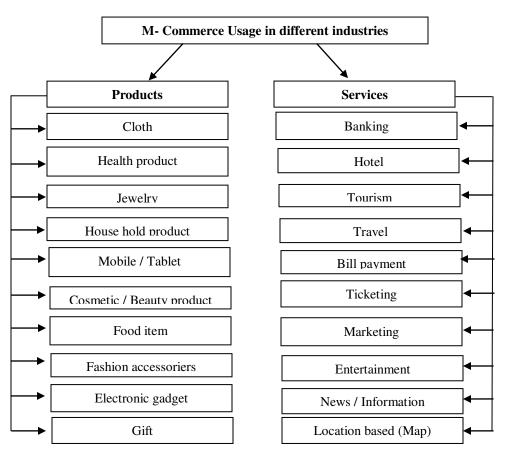


Figure:5 M-Commerce Usage

Source : Researchers (Anukrati Sharma and Amit Mathur)

Data analysis and interpretation

The research study was conducted in Kota, Rajasthan. A structured questionnaire was filled by 80 Local / small traders who are situate in different area and selling different products/ services.

Table 3: Gender of Respondents

Response	Number of responds	Percentage of responds
Male	72	90
Female	8	10
Total	80	100

Source: Field survey

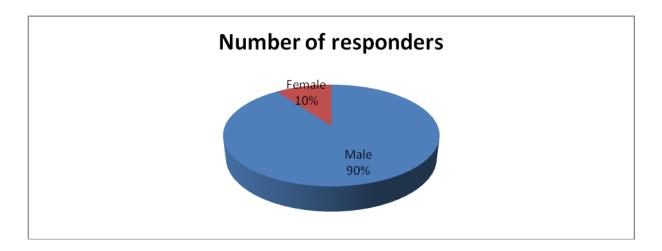


Chart 1: Gender of Respondents

According to the table, composition of respondents on the basis of gender show that male respondents are more engaged rather than female.

Table 4: Age group of responds

Age group	Number of responds	Percentage of responds
Up to 25	22	27.50
26-35	32	40
36-50	8	10
Above 50	18	22.50
Total	80	100

Source: Field survey

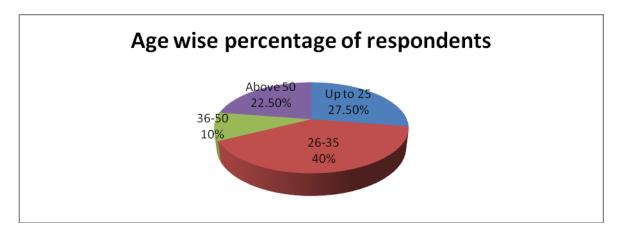


Chart 2: Age group of responds

From the table and graph of age group, shows that most of the respondents are 26-35 Yrs. of age mainly involved in the market. 40% respondents are laid under the age group of 26-35 year.

Table 5: Type of business of responds

Type of business	No of Respondents	Percentage of respondents
Tour & travelers	12	15
Retailers	30	37.50
Restaurant	12	15
Financial services	10	12.50
Real state	16	20
Total	80	100

Source: Field survey

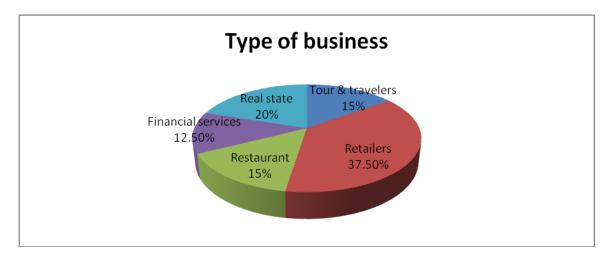


Chart 3: Type of business of responds

According to above chart, percentage of retailers is more rather than other business holders. Out of total respondents, 30 respondents (37.50%) are retailers. 20% are engaged in real state. And lowest Percentage people engaged in Financial services(12.50%).

Table 6: Promotion tools

Promotion tools	No of Respondents	Percentage of respondents
News paper	48	60
Radio	8	10
Word of mouth	6	7.50
Direct selling	10	12.50
M-commerce	8	10
Total	80	100

Source: Field survey

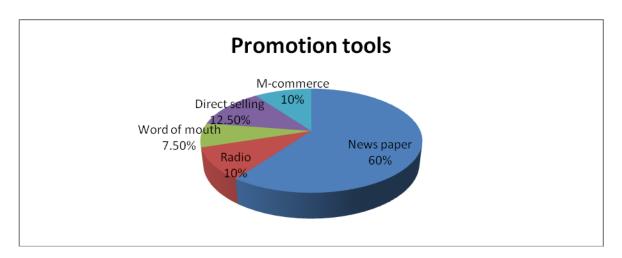


Chart 4: Promotion tools

On the basis of above table, it is conclude that most of people favourite promotion tool is news paper(60%). Followed by direct selling (12.50%), 10% M-commerce and 10 % radio advertising.

Table 7: Reason to adopt mobile advertising

Reason	No of Respondents	Percentage of respondents
Increase brand awareness	20	25
Faster sell	28	35
Customer relationship	14	17.5
Image building	10	12.5
Increase engagement	8	10
Total	80	100

Source: Field survey

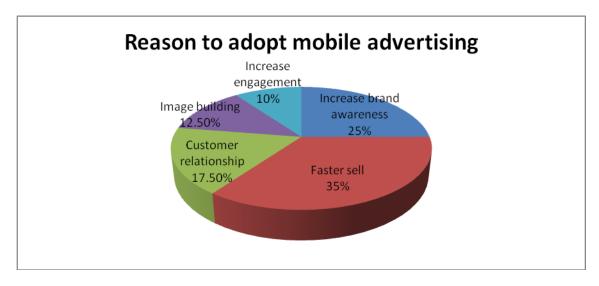


Chart 5: Reason to adopt mobile advertising

As per the above chart, most respondents are adopting mobile advertising for faster sell(35%). It is shows that main purpose to adopt mobile advertising is high sell to earn high profit.

Table 8: Type of using mobile inventories in mobile advertising

Response	No of Respondents	Percentage of respondents
SMS	48	60
MMS	13	16.20
Video advertisement	5	6.25
Mobile apps	10	12.50
Mobile Websites	4	5
Total	80	100

Source: Field survey

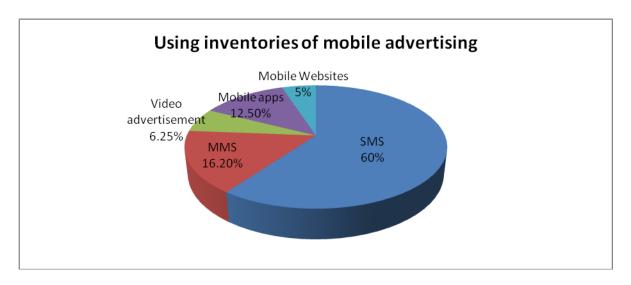


Chart 6: Type of using mobile inventories in mobile advertising

In this chart we can easily understand that SMSs(60%) is top most uses by the respondents.

Table 9: Challenges face to adopt mobile advertising

Challenges	No of Respondents	Percentage of respondents
Lack of standard format	20	25
lack of expertise	24	30
privacy issue	16	20
lack of relevant data	15	18.75
Limited opportunity	5	6.25
Total	80	100

Source : Field survey

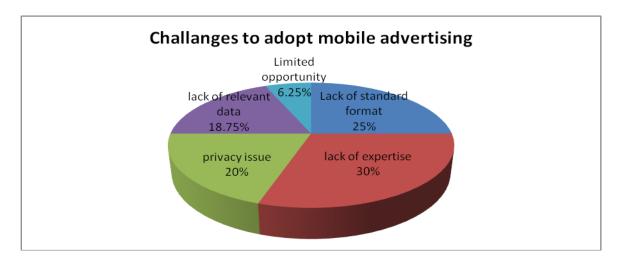


Chart 7: Challenges face to adopt mobile advertising

According to above chart, the main challenge face by respondents is Lack of expertise(30%) in mobile advertising.

Table 10: Satisfaction level of Business towards result of mobile advertising (Source : Field survey)

Type of Business	Highly Satisfy	Satisfy	Moderately Satisfy	Dissatisfy	Highly Dissatisfy	Total
Tour & Travelers	1	4	6	1	0	12
Retailers	3	4	12	5	6	30
Restaurant	2	5	3	1	1	12
Financial Services	1	2	2	4	1	10
Real State	4	6	4	1	1	16
Total	11	21	27	12	9	80

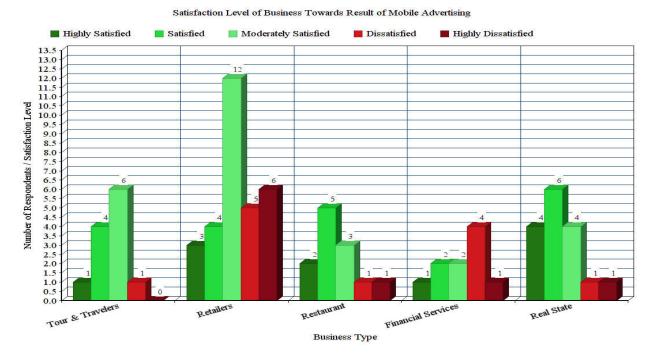


Chart 8: Satisfaction level of result of mobile advertising towards business type

As per above chart, Context of tour & travelers operator and retailers, most respondents are moderate satisfy with the result of mobile advertising. In the context of restaurant and real state business most respondent are satisfy with mobile advertising result. And in the context of financial services business, respondents are not satisfy with mobile advertising.

Table 11: Satisfaction level of businesses towards mobile advertising agency

Type of Business	Highly Satisfy	Satisfy	Moderately Satisfy	Dissatisfy	Highly Dissatisfy	Total
Tour & Travelers	0	2				
			3	4	3	12
Retailers	1	2				
			6	15	6	30
Restaurant	0	2				
			2	5	3	12
Financial Services	1	1				
			3	3	2	10
Real State	2	2				
			3	4	5	16
Total	4	9				
			17	31	19	80

Source: Field survey

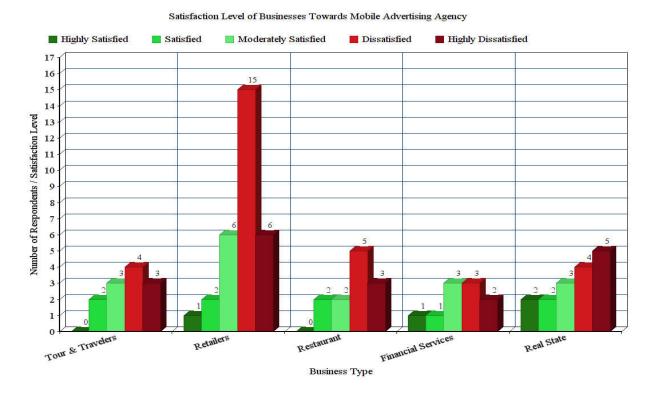


Chart 9: Satisfaction level of businesses towards mobile advertising agency

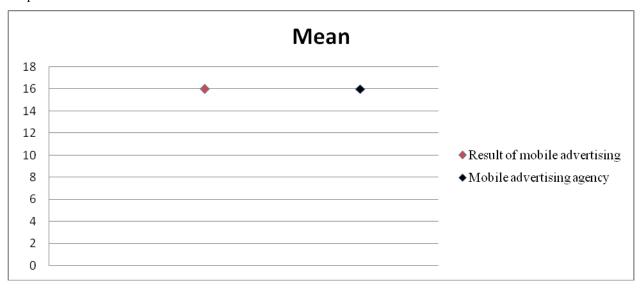
From above chart, all category of respondents are dissatisfy to finding and operate with mobile advertising agency except real state business.

Factorization:

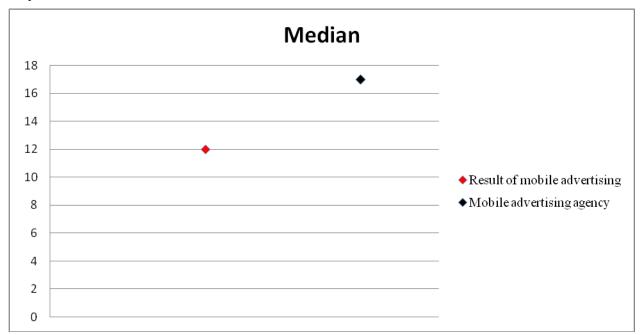
Table:12

Factorization		
	Mean	Median
Result of mobile advertising	16	12
Mobile advertising agency	16	17

Graph: 1



Graph: 2



SWOT Analysis - Without the help of SWOT Analysis it is not possible to make a effective marketing strategy. To set up a product or service in the market through the help of mobile advertisement it is first needed to make a analysis of Strengths, Weaknesses, Opportunities and threats of it.

Strengths

- 1. Easy connectivity with consumers
- 2. Less expense for promotion
- 3. Quick response
- 4. Advertiser or manufacture can do aware buyer any time

Weakness

- Manufacturer or advertisers has to follow code of conduct which provide by Telecom Regulatory Authority of India
- 2. Consumer or Receiver can ignore MSGs and delete them.
- 3. Customer can activate Do not disturb service for not interrupted him
- 4. More consumer are unable to read MSGs properly.

Opportunity

- 1. Online purchasing
- 2. Mobile money transfer
- 3. Free apps contents
- 4. Consumer get amount on each msg or content download

Threats

- 1. Telecom Regulatory Authority of India makes bound or fine for Ad's MSGs
- 2. Many operator not allow for customer privacy
- 3. Customer make complain for this unnecessary service
- 4. Technology would change this types of advertisement

Conclusion-

Advertising by mobile phone is a new concept for Indian market. Advertisers and manufacture can explore their product by this new kind of promotion. Although it is not utilized as it can, but also many production house use this facilities. For example Mc donald's inform their customer what is new scheme today through exist mobile phones number. We can book movie ticket by mobile apps. Indian railway also connect passenger by mobile phones. Bank also involve in this facility. If local traders or advertisers use this facility properly, they can get maximum attention of people for their manufacture items. Mobile phones is a very personal device in today life. Mobile phone also being important instrument for us, In morning first work of people check his mobile phone and last work of night is also check of mobile phone, So it is a amazing thing for people. If advertisers or traders are use this facility properly, we can think how much benefit will they get.

Suggestions-

- There is a need to create awareness about the m-advertising for changing the present status of it.
- M-Advertising tool may be adopted in the Government projects for generating more trust of the public in general.
- The formal education and training is suggested to develop experts in the field of advertisement designing.
- Not only urban areas the rural areas should also be focused for the promotion of the products.
- The usages of regional language can be done for making it convenient to the local customers.

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Appendix

Questionnaire

Q.1	Q.1 Name of the respondent?		
			
Q.2	Gender?		
	(A) Male		
	(B) Female		
Q.3	Age?		
	(A) Up to 25 years		
	(B) 26-35 years		
	(C) 36-50 years		
	(D) Above 50 years		
Q.3	Business type?		
	(A) Tour & travelers		
	(B) Retailers		
	(C) Restaurant		
	(D) Finance services		
	(E) Real state		

Q.4	Which type of promotional to	ools using in your business?
	(A) News paper	
	(B) Radio	
	(C) Word of mouth	
	(D) Direct selling	
	(E) M-commerce	
Q.5	What reason you want to add	opt mobile advertising?
	(A) Increase brand awarene	ess
	(B) Faster selling	
	(C) Customer relationship	
	(D) Image building	
	(E) Increase engagement	
Q.6		u are using in mobile advertising in your business?
	(A) SMS	
	(B) MMS	
	(C) Video advertisement	
	(D) Mobile apps	
	(E) Mobile websites	
0.7	Which him 4 of challenges are	and for inclination and the advantage of the second
Q. /	(A) Lack of standard forma	u are facing in mobile advertising?
		11
	(B) Lack of expertise(C) Privacy issue	
	(D) Lack of relevant data	
	(E) Limited opportunity	
	(E) Limited opportunity	
O	.8 Do you feel satisfy with re	sult of mobile advertising?
•	(A) Highly satisfied	
	(B) Satisfied	
	(C) Moderate satisfied	
	(D) Dissatisfied	
	(E) Highly dissatisfy	
	, , , , , , , , , , , , , , , , , , ,	
Q	.9 Do you feel satisfy to mob	ile advertising agency?
	(A) Highly satisfied	
	(B) Satisfied	
	(C) Moderate satisfied	
	(D) Dissatisfied	
	(E) Highly dissatisfy	

International Conference on Emerging Trends in Commerce and Social Sciences

CERTIFICATE



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Place: Kota

Dy. Reg. (Research)