

A STUDY ON IMPACT OF CELEBRITY ENDORSEMENT ON PURCHASE INTENTION OF FMCG PRODUCTS THROUGH E-COMMERCE



ABSTRACT

In Recent years, the FMCG sector in India was adopting online shopping which is currently undergoing significant transformation. Facilitated by changes in consumer Purchase Intention and internet penetration, e-commerce has grown exponentially in the FMCG industry. Celebrity Endorsement is adopted as a Marketing Strategy with huge opportunities for growth and development in the e-commerce to increase the FMCG Products sales. The objective of this study is to determine the study on impact of celebrity endorsement on purchase intention of FMCG products through e-commerce. The research adopted convenience sampling and the data was gathered among 192 respondents in Salem using GARRETT Ranking method. The study indicates that “Loyal to Celebrity” and “Website User Friendliness” is the major reason for the rise of E-commerce Websites promoting the FMCG Products.

Keywords : *Celebrity Endorsement, Purchase Intention, Consumer Behaviour, FMCG Products, E-commerce*

Introduction

Today, usage of E-Commerce is the reason for its rapid growth at a global scale. Adoption rate of e-commerce in FMCG market is increasing exponentially every year. Consumers are progressively moving away from crowded storefronts and toward one-click internet buying (Vijay, Sai. T. & Balaji, M. S. (May 2009). The use of the internet has created a global community. The use of the Internet has shortened distances and reunited people (Awais Muhammad and SaminTanzila (2012). Tian and Stewart (2007), said that E-Commerce encompasses not only the sale of products and services but also the retention of clients, the development of relationship with them and other firms, and the conduct of business with them. Regardless of a country's size or population, the marketing of fast-moving consumer goods (FMCGs) is essential to the development of its economy (Sarangapani & Mamatha, 2008). (Hartono. et. al, 2014) stated that understanding customer experience enhances the capacity to forecast their behaviour because previous purchasing experiences significantly influence consumers' intentions to make online purchases. According to Sahney

et al. (2013), the industry has seen an increase in the number of online transactions due to a shift in consumers' purchasing habits from in-person to online shopping. (Anmol Harshil, Arsh Khan ,2020) Consumer preferences are always changing, and the FMCG industry's business environment is getting more and more competitive every day. Marketers must develop innovative marketing plans for which they must investigate consumer purchase intentions that consumers use to choose any FMCG brand (Attri et al., 2013). Celebrity Endorsement has a significant and wide spread impact on consumers purchase Intention of FMCG Products through

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E-commerce is a new economic business model. Thus, adopting Celebrity Endorsement as a Marketing Strategy in the FMCG Market, Purchase Intention of Customer through E-Commerce has created an entirely new world of shopping.

Celebrity Endorsement

A celebrity can be defined as a person who is famous especially in the entertainment or sport industries (Hakimi, et al. 2011). A celebrity can originate from any field, including sport, theatre, politics, social life, and even science, but they must have achieved something particularly noteworthy (Giridhar, 2012). According to market researchers, using a celebrity in advertising has an impact on brand identification and recall, buy intent, and follow-through (Spry et al., 2011). Consumers create an optimistic mindset and enduring association with such brands as a result of following the celebrities affiliated with the products (McCuthceon, Lange & Houran, 2002). Companies now employ the celebrity endorsement method to shape consumer perceptions and encourage Purchase intentions (Lee & Thorson, 2008).

E-Commerce

The next Industrial Revolution will involve digitising every aspect of business, including supply chain, logistics, and sales operations, with the goal of having E-commerce account for 90% of all global trade in the not too distant future (Geissbauer et al. 2016). Many factors, including an increase in internet users, adoption of contemporary technology, and various payment options provided by E-commerce vendors, have contributed to the expansion of the E-commerce business in India (Harish 2017). Modern technology, which uses cookies and clickstream data, among other things, enables vendors to make real-time price changes at a cheap cost by evaluating customer traffic, demographics, and preference data, among other things. (Elmaghraby and Keskinocak 2003; Mak et al. 2018).

Purchase Intention

The consumer's experience, thoughts, feelings, and other outside elements that are taken into account before making a decision to purchase are what determine their purchase intention (Fishbein and Ajzen, 1975). Responses, feedback, and involvement from consumers can all be used to predict their Purchase intent; the more people who participate, the higher it is likely that they will make a purchase (Schiffman & Kanuk, 2000). Consumer purchase intention refers to customers' desire and propensity to acquire marketed goods because there is a chance they will do so in the future (Zafar and M. Rafique, 2013). Vahdati and Mousavi Nejad (2016) also highlighted how conducting information searches online raises the amount of satisfaction and delight associated with making purchases of goods and services. Tingchi-Liu and Brock (2011) found that Consumer attention, recall of advertising messages, and purchase intentions are significantly positively correlated with advertisements supported by Celebrity Endorser. Purchase intentions among consumers are influenced by a celebrity's familiarity, likeability, and believability. These elements have an impact on consumers' buying intentions both individually and collectively (Malik et al., 2013). According to Pavlou (2003), the final step in the online transaction process is the decision to use a website and make an online purchase. As a result, a major element of online consumer behaviour is the intention to make an online purchase.

FMCG Products

In the Indian economy, the Fast Moving Consumer Goods (FMCG) sector ranks third in size. Consumer packaged goods (CPG) or fast-moving consumer goods (FMCG) are goods that are readily available and reasonably priced. The most well-known example of a low margin/high volume business is arguably FMCG. It is quite challenging to project a distinct image in the eyes of consumers because many different brands and organisations are involved in the manufacturing and production of the same

categories of FMCG products. One-way promotion of products is the main emphasis of FMCG brands' marketing strategies for a very long period. Technology advances in the FMCG industry are shifting the emphasis to create user-centric content that improves consumers' lives and alters the purchasing process.

Research Works related to the study

Thanigachalam (2014) emphasises in his article "the customer behaviour toward Fast moving consumer products in Puducherry" that before organisations design and implement their marketing strategy, they must give the value of promotional offers and brand availability more thought. India's FMCG industry is one of the most vibrant in the world. A key objective is to more effectively and efficiently meet the needs and demands of consumers and their target markets.

Shukre and Dugar (2013) studied the effect of celebrity endorsements on consumers' decision making processes and said that using celebrity endorsers in advertisements of FMCG products have a significant favorable impact on purchase intentions of customers. A sample of 100 students from the National Capital Region participated in an analysis of the effects of celebrity endorsements on customer decision-making. The results showed that if the respondents' favourite celebrity supports the products, they are more likely to buy it within a month of seeing the advertisement. Prominent acknowledgement also significantly affects the memories and learning of the clients. Celebrities are reportedly employed in FMCG product advertisements to increase awareness and sales. The respondents frequently choose FMCG products from celebrities, including soaps, cosmetics, chocolates, and soft beverages.

Shim, Eastlick, Lotz, and Warrington (2001) In order to analyse customers' intents to make online purchases, included the concept of "prior online buying experience" in the theory of planned behaviour, emphasising its significance. A mail survey of computer users living in 15 U.S. urban areas was used to get the data. To evaluate the hypotheses, two-stage structural equation modelling was used.

Mohammed Hossien Moshref Javadi et al. (2012) conducted research on "An analysis of factors

affecting on online shopping behavior of consumers". He considered the numerous variables influencing Iranian consumers' online shopping habits. Financial and non-delivery risks were found to have an impact on consumer attitudes. According to the study's findings, websites need to be made safer and assurance must be given to customers that their orders will be delivered promptly.

Simarpreet et al. (2019) investigated the impact of digital media on consumer purchasing behaviour. Online technologies have changed the retail landscape in recent decades and will continue to do so in the future. This may be demonstrated in consumer surveys, which show that using internet tools makes buying more convenient. Because of price transparency, cellphone alerts, and social message sharing, retail marketing is becoming increasingly reliant on technological effects. The data for the study was gathered via questionnaires.

Dr. Anukrati Sharma, (2013) in the article "A study on E-commerce and Online Shopping: Issues and Influences" had examined current customer preferences and trends with regard to online shopping and e-commerce, as well as to make recommendations for how to enhance online shopping websites. The majority of those involved in purchase decisions, according to the report, are between the ages of 21 and 30. Making websites for online commerce requires careful planning and smart design.

Samarasinghe (2017) studied how well effectiveness of celebrity endorsement on social media influenced consumer's purchase intention in FMCG. A sample of 338 consumers who use social media for FMCG product purchase decisions responded to the survey. It has been demonstrated that source knowledge, dependability, and familiarity affect purchasing intent. Influence of source knowledge, trustworthiness, and familiarity is dependent on whether customers are male or female.

Intention of this Research

The intention of this Research is

1. To analyze the factors which are responsible for Purchase Intention of Fmcg Products because of Celebrity Endorsement through e-commerce



Research Methodology Practices Used

Primary Source Data

The first-hand information is collected from the respondents directly through self-constructed questionnaire and through personal interaction.

Secondary Source Data

Secondary source of information was gathered from published documents, websites, reference books, journals

Pilot Study

Pilot study was conducted through structured questionnaire from 50 respondents in Salem. Cronbach alpha method was used to test the validity of the questionnaire. Overall reliability of all the items of the Annexure was found to be 0.824.

Sampling

In this study, 192 respondents were selected through the convenience sampling method. The respondents returned the filled questionnaire via google forms.

Data Analysis

Data sources in this study are primary as well as secondary. Testing was done using GARRETT Ranking Method

Analysis and Interpretation

Henry Garrett Ranking

Table 1
Proportion Level with Value

Rank	proportion Level	Table Value
1	$100(1-0.5)/5=10$	76
2	$100(2-0.5)/5=30$	61
3	$100(3-0.5)/5=50$	50
4	$100(4-0.5)/5=70$	40
5	$100(5-0.5)/5=90$	25

Source: Garrett Ranking Table

To analyze the factors which are responsible for Purchase Intention Of Fmcg Products because of Celebrity Endorsement through e-commerce

Table 1.2
Henry Garrett Ranking



Particulars	1	2	3	4	5		Mean Score	Rank
	76	61	50	40	25			
People Mindset	38	26	61	41	8	192	48.51	3
	2888	1586	3000	1640	200	9314		
Advertisement Impact	45	40	28	60	19	192	45.49	4
	3420	1040	1400	2400	475	8735		
Loyal to Celebrity	61	39	27	36	29	192	54.84	1
	4636	2379	1350	1440	725	10530		
Website User	45	37	65	29	16	192	54.61	2
	3420	2257	3250	1160	400	10487		

Source: Data was collected via questionnaire (Google form) and

Results point out that Loyal to Celebrity is ranked the first while Website User Friendliness is ranked second

Conclusion

We live in a world where continuous technological development has become the norm. The increased application/use of technology has opened doors to more opportunities that were beyond imagination, and its impact on consumer buying behaviour is amazing. Technology-driven solutions should be considered by any firm that wants to expand and compete in the market. Because consumer satisfaction is a top priority for businesses, companies invest in technologies to better understand consumer buying behaviour. Thus, we conclude that there is a strong Impact of Technology Development on consumer buying behaviour on FMCG Products through E-commerce.

Future Scope for Further Research

In future, studies can be conducted by Increasing the number of variables and increasing the sample size.

Few suggestions include;

- Consumer perception towards E-commerce can be analysed
- Purchase Intention towards Luxury Products can be analysed

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