

Impact of Celebrity Endorsement of Personal Care Products on Consumer Buying Behaviour

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Abstract:-An interesting topic that remains untouched today in celebrity endorsement is the impact on consumer buying behavior of personal care product. We examine the various forms of celebrity endorsements under different conditions, and look at different aspects of the same.

Keywords:-Celebrity, Endorsement, Personal Care Products

I. INTRODUCTION

Today, in the age of innovation, businesses are taking the function of marketing to a new level. With deep pockets, companies are capitalizing on opportunities to make the best use of their marketing tactics to gain customers. For this purpose, one of the most famous tools used by brands are advertisements. From a young pre-school going kid to an old retired person, everyone comes across numerous advertisements, and are affected by it. Despite the criticism that this form of promotion has faced over the years, it still continues to be the best one out there.

Celebrity Endorsements are one such type of advertisements that marketers are applying on a regular basis. Celebrities in India are worshipped, be it actors or cricketers, they are loved by the people. (Jain, 2011). It has been used by every big brand in the country at various levels, for several products and in different ways. That being said, it is imperative that the study of the success of this concept is well understood by marketers before actually implementing it in the market.

With utmost importance given to the customers, marketers for decades have known that they are always rational in their behaviour. In the same context, it is also right to assume that celebrities might not have a real impact on the buyer behaviour of customers. It should not be ignored that the celebrities are also in public view. (Choi & Berger, 2010). Rather than increasing sales volume, the increasingly high cost of hiring a known face might increase cost per unit, leading to a higher price and finally the sales value – a form of artificial growth.

The purpose of this study is to understand the impact of celebrities in shaping the decisions of customers with regards to personal care products. These include soaps, shampoos, moisturizers, deodorants, etc. Famous personalities like Ranveer Singh, Anushka Sharma, Virat Kohli, Shahrukh Khan, Aishwarya Rai and many more

are increasingly advertising for such products. For this reason, it is vital to study if they actually make a difference.

II. REVIEW OF LITERATURE

The researcher goes deep into the concept of bringing celebrities to promote the products to increase the sales of the firms, in this paper. The article talks about the usage and process of changing positioning of the product in consumer's minds. The article also showcases the adverse effects of celebrity endorsements. The endorsement is only successful when right celebrity is associated with right product. Hence, celebrity endorsement can't be treated as 'mantra' for success. (Khatri, 2006).

This article's main purpose was to study the impact of the celebrity endorsement on effective brand management and evaluate associated factors that contribute to the success or failure of the endorsement. Celebrity endorsement effects are moderated by brand symbolism, such that brands that communicate something about the user yield stronger effects than brands that do not. So, it explains that not just the celebrity but existing brand value plays a very crucial and important role in changing the perception of the target market. (Mukerjee, 2006).

This paper portrays the light on different purchase patterns of a commodity or a service, when a celebrity is associated with them. The methodology adopted by the researchers was collection of data from libraries and first hand data to conclude the study. The result was that the people would purchase more of the same good or service due to celebrity endorsements as the consumer tends to neglect the negative effects of the use of that product and also becomes more loyal to the brand. (Balakrishnan & Kumar, 2015).

The researchers have put light on the correlation of celebrity endorsement and the costiveness of brand image and purchases of the goods. The methodology used by the company was analysing the data of 164 companies of the world of different sectors to come to concrete observations. The study concludes that there is a positive correlation between celebrity endorsement and the brand image and purchases. The purchases increased by 275% in 2001-2008 and just 132% after 2008 for the cosmetic industry. (Sabunwala, 2011).

The researchers of the article focus on the decision making process of consumers after and before the association of a celebrity with a product. The methodology used is

observation of various FMCG markets. After the observation of entire 21 markets for 74 weeks and using statistical tools, there were concrete results. The consumers buy more of those products after association of celebrity with the products because it gives them a sense of trust and loyalty towards brand. Also, it helps the company attract new customers with ease. (Shukre&Dugar, 2009).

Taking the Indian context under the microscope, various factors are discussed such as multiple endorsements, cost of celebrities, and Meaning Transfer Model (McCracken, 1989). After the survey of focus groups, expert tools and interviews, it was found that over most viewers remembered the celebrity, but not the brand; celebrities have likability according to geography; and non-celebrity ads work equally well. Despite this, celebrities do add a favorable aspect to the brand and improve the brand equity. Also, viewers do get motivated to buy the product. (Jain, 2011).

Based in Delhi/ NCR (India), the highly reliable and valid findings from 336 respondents answered some crucial questions. It proved that celebrity endorsement had a positive effect on perception. It goes on to find that the marketers should use the tool in order to increase their sales. However, they should consider the credibility, attractiveness and expertise of the personality before making them the face. This study was limited only to a small region of the country, and therefore cannot be construed to represent the whole country. (Gupta, Kishore &Verma, 2015).

With over ten percent of advertisements today comprising of celebrity endorsement, customer opinion of this aspect is very important. Attributes, such as image, trustworthiness, physical appearance and popularity among a total of nine factors were considered to see what the customers felt about the same. It was inferred that professional expertise and background in the field gave the ads a more authentic touch. Attractiveness is also a significant factor for impact on the viewers. (Kumar &Hundal, 2015).

The aim of this research was to determine the impact of celebrity trustworthiness on equity of the brand. The result analyzed, which was never addressed before, is that there is a direct and positive relation between endorser credibility, and brand credibility. Another finding to support past research shows that there is a positive relationship between brand credibility and consumer-based brand equity. (Spry, Pappu& Cornwell, 2011)

The researcher explains the reach of personal care products in the market and how it has grown over the years. The companies like, Himalaya and Dabur have successfully captured the rural sectors of India as well. The methodology used here was review of secondary data and a survey done in 14 states of India. It has resulted in proving the heavy usage of personal care products in rural India as well. (Khan, 2013).

The article puts light on the organic personal care products and the influence of consumer perception. The boom of organic products started in early 2010s. These are highly

priced products so the consumer believes its of high quality and standards. The methodology used a survey to find out the use of organic personal care like shampoos, conditioners etc. the use of organic products has increases by 483% in the last decade. (Khanna, Jeet&Sethia, 2012).

The given article focuses on the agents of change for the usage of personal care products. The Indian population has started using personal care products to a greater extent since 2000s. One of the main reason for this is globalization. The Indian consumers has got many choices and a wide range to select from. Also, the increased competition has forced the prices to fall. Hence, globalization is a major factor which has increase the usage of personal care products. (Daughton&Ternes, 2015).

III. METHODOLOGY

The research is exploratory in nature. The data used was secondary sources and the major data used was published articles. The papers provided current knowledge including substantive findings, as well as theoretical and methodological contributions to celebrity endorsements and customer behaviour. Also, we've used four companies' revenue over a period of 2 years to find the correlation between sales of personal care products and per capita income to find the power source of the brands.

IV. FINDINGS

A. Per Capita Income and Sales

India is a populous and heterogeneous country, with a vast variety of languages, cultures, religions, and economic background. With so many people to satisfy, there are many brands that have gained success. One such area is personal care. The total personal care market grew by about 9.2% as on May, 2017. The stars in the sub-continent are the ones who should be credited for the success of these products. Countries like the US, France, and UK came up with so many brands that have now become the part and parcel of our lives. Companies like Hindustan Unilever, L'Oreal, and Johnson & Johnson are only a few among many that have their presence in India. All because of the familiarity that the companies had gained because of known and reliable faces connected to them.

Even indigenous brands are in limelight because of the celebrities. All the companies in the personal care market have a widespread reach. It is therefore imperative to study the revenue of different companies present in the country. Despite the overwhelming response that foreign companies get, Indian brands like ITC and Godrej have also had a growth.

Table 1 shows the sales of two years of four companies, viz. ITC Ltd., Hindustan Unilever, Procter & Gamble, and Godrej Group in India. It also shows the percentage change in the revenue from 2015-16 to 2016-17.

Company	Revenue (2015-16)	Revenue (2016-17)	Percentage Change (%)
ITC Ltd.	7.99	8.53	6.758
Hindustan Unilever	5.07	5.21	2.761
Procter & Gamble	0.36	0.37	2.778
Godrej Group	1.35	1.48	9.629
Total	14.77	15.59	5.55

(in USD Billion)

Table 1: Financial Performance of Personal Care Companies

As can be seen from the table, Godrej had the highest increase in its sales by 9.63%, whereas ITC, the highest revenue earning company, had its sales increased by more than half a billion dollars, which caused a change of 6.75%. Hindustan Unilever and P&G both had an increase of just 2.76%.

Table 2 shows the change in per capita income of India in 2015 and 2016. Per capita income or per capita GDP refers to the average income of individuals of an economy. In one year from 2015 to 2016, there has been a growth of 5.8%. On comparing the percentage change in total revenue and per capita income, we find that there has been a corresponding change in both. Since the companies talked about have a low to mid-level price range, the change in income has been readily realized in these products. So, per capita income and sales of personal care products have a positive equal relation.

December, 2015	December, 2016	Percentage Change (%)
1758	1861.5	5.8

(in USD)

Table 2: Per Capita Income, India

The positive and constant relation between per capita GDP and revenue convey that extensive promotions are required to increase the business of personal care products. The judicious selection of celebrities can go a long way to make a brand settled in the customer’s mind.

V. LIMITATIONS

The literature studied are all in the same context. The above calculation is just of the basic relation and is not an in-depth study of the matter. Data for applying statistical tools was not available. This is just for a raw understanding to prove that personal care companies are running heavily on advertisements with a fierce competition. This is the reason why celebrities are required. Also, the figures of revenue are for the whole company and are not limited to the product range in discussion. This would just have a trivial change in findings.

VI. CONCLUSION

The most important observation made is the change in perception of the customers due to the endorsement of brands by celebrities. It isn’t always necessary that an

endorsement by a celebrity of a brand is going to be a success for the company, but it plays a crucial role. Celebrities are used to change the positioning of the product in the customer’s mind. But the observation made from the literature studied was that not just the celebrity but existing brand value plays a very crucial and important role in changing the perception of the target market. The consumers buy more of those products after association of celebrity with the products because it gives them a sense of trust and confirmation.

A few things also seen is that celebrity endorsement is risky for marketers, because any backlash faced by the personality affects the brand. In relation, there is a direct and positive relation between endorser credibility, and brand credibility. All of these observations bring us to the conclusion that celebrity endorsement is the right way to market the product/ service or brand, provided one knows what factors to be taken into consideration and what not.

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