Chapter III

CONCEPTUAL FRAMEWORK

In order to explain the conceptual framework developed, it is relevant at this juncture to recall the objectives of the present study. The focal objective is to understand and study the effectiveness of Advertisement in Soft Drinks industry and the specific objectives to be accomplished are:

- To study the effectiveness of Celebrity Endorsement on Attitude towards brand, Advertisement and Purchase Intent; and
- To study the linkage between Point Of Purchase Advertisement and Impulsive Purchase behavior.

These objectives may be accomplished by answering certain research questions raised in the introductory part of this study. In order to answer these questions the researcher has developed certain propositions, too. The development of these propositions enabled the
researcher in developing the conceptual framework for the present study.

The previous chapter titled Review of Literature reviewed the literature relevant to the current research study.

3.1 Propositions

A. Ads with Celebrity Endorsement are significantly related to Attitude towards Advertisement, Attitude towards Brand and Purchase Intent.

Review of literature on Effectiveness of Celebrity Endorsement has revealed that celebrities have an enormous potential to influence consumers. Celebrities increase awareness of a company’s advertising by drawing attention of the consumer, create positive feelings towards brands and are perceived by consumers as more entertaining (Solomon, 2002)\(^1\). A celebrity in advertising is more likely to positively affect consumers’ brand attitude and purchase intention.

According to Martin (1996)\(^1\), celebrities provide a 'set of characteristics' that support consumers in evaluating the presented brand. McCracken (1989)\(^2\) observes that celebrities add value to the image transfer process by offering meanings of extra depth and power, which is evident in their lifestyle and personalities. Though, a vast majority of studies on celebrity endorsement effectiveness are available, there is a paucity of empirical studies on how celebrity endorsement aid in brand recall and brand preference at the point of purchase in the soft drink category.

To investigate the relationship of celebrity endorsement in the overall context of consumer reactions to celebrity endorsements, POP Ads and Ad Effectiveness in Soft drink category, it is proposed that Ads with Celebrity Endorser are significantly related to Attitude towards the Ad, Brand and Purchase Intent.

\(^1\) Martin, James H. (1996), “Is the Athlete’s Sport Important when Picking an Athlete to Endorse a Non sport Product?”, Journal of Consumer Marketing, 13, 6, pp. 28-43.

B. Point of Purchase Advertisement is significantly related to Attitude towards Advertisement, Attitude towards Brand and Purchase Intent.

A high level of brand awareness need not always translate into sales. Shoppers rely increasingly on in-store displays and communications to acquire new knowledge about the product. They do take into consideration the information they acquire in stores, rather than just relying on out of store communication (Underhill, 1998). It has been observed by Quelch and Bonventre (1983) that the success of all communication efforts in many cases depends on the last 5% of the efforts which manifest itself at the POP just before the consumer chooses to buy, rather than the 95% efforts that preceded it.

It has been found that information recall is enhanced when the context in which people attempt to retrieve information is the same to the context in which


they originally coded the information (Connolly and Firth, 1998). This reinforces the belief that out of store Ads embed the brand name in the minds of the consumers which gets activated while making in-store purchase decision in favour of the brand displayed.

Studies conducted by POPAI on consumer shopping behaviour show that a high proportion of all purchases in super markets and other retail outlet are unplanned and many product and brand choices are made while the consumer is in the store. POP plays a major role in influencing such impulse purchases particularly in soft drinks category. Though a number of studies have been made on POP effectiveness, the current study is trying to build a framework of inter-dependencies of Celebrity Endorsements, POP Ads and Store Type effectiveness in the process of purchase of Soft Drinks in particular. To investigate the said relationship, it is proposed that Point of Purchase Ads are significantly related to


2 Point-Of-Purchase Advertising International is an independent body based in Washington D.C. working towards furthering the developments in Point of Purchase Ads.
Attitude towards Advertisement, Attitude towards Brand and Purchase Intent.

C. Moderating variables like Trade Channel, Age group of the consumer, Store Category, Gender and predominant income group of the location are significantly related to Attitude towards the Ad, Brand and Purchase Intent.

From the literature survey, the contribution of Store Category, Channel Type and Gender to the overall effectiveness of Celebrity Endorsed Advertisement and POP Advertisement was not very clear. Corstjens and Doyle (1989)\(^1\) point out that “research into how consumers choose shops is usually dated from Martineau’s (1958)\(^2\) concept of store image. The store image is created by several factors. The important factors that constitute store image include quality and assortment of

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merchandise, sales persons and store atmosphere (Berry, 1969¹; Martineau, 1958²)

Despite a wealth of literature on store image, studies on theoretical and practical implications are not significant. As Rosenbloom (1983)² concluded: “Direct evidence of a link between a store’s image and its capacity to attract and maintain patronage is difficult to obtain. The evidence that is available is usually fragmentary and indirect, and does not provide a sufficient basis for proving in a rigorous way the relationship of store image to consumer patronage”.

Consumers display different behavioural styles while shopping at different store categories and at different occasions. At a kirana³ shop the product is recalled by the consumers presumably aided by prior exposures to Ads


³ Neighborhood small grocery shops in India are called ‘Kirana’ shops.
and in-store displays whereas in a self service mall, choice is exercised presumably aided by POP Ads, prior usage experience and many a time by a sheer display of impulse behaviour.

This led the researcher to infer that store category/type is one of the several factors influencing the behaviour of the shoppers at a store.

There is a limited knowledge relevant to the influence of Store Type in an impulse category product such as soft drinks. To investigate the relationship of store type in the overall context of Celebrity endorsement effectiveness and POP advertising effectiveness in Soft drink category, it is proposed that Trade Channel, Age group of the consumer, Store Category, Gender and predominant Income Group of the location are significantly related to Attitude towards the Ad, Brand and Purchase Intent.
These propositions helped the researcher to conceptualize the research framework.

A conceptual framework of the study

Figure 3.1 Relationship diagram

Source: Developed by the researcher
Developing a conceptual framework requires clarity on the relationship between all the research variables. The framework shown in Figure 3.1 clearly depicts the relationship between various variables that influence advertising effectiveness. This facilitate in building the conceptual model. The variables identified in the present study are dependent variables, independent variables and moderating variables.

The research framework, thus built helped the researcher in achieving the following purposes:

1. To examine and establish the fact that POP advertisement has significant relationship with attitude towards Ads, Attitude towards Brands and Purchase Intent.

2. To investigate and establish the fact that Celebrity Endorsed Ads have significant relationship with attitude towards Ads, Attitude towards Brands and Purchase Intent.

3. To examine and establish that moderating variables like Trade Channel, Age group of the consumer, Store Category, Gender and
predominant income group of the location are significantly related to Attitude towards the Ad, Brand and Purchase Intent.

3.2 Conceptual Perspectives

The research framework identified elements of POP Ads, Celebrity Endorsement, Moderating variables and Outcome Effects as some of the major aspects influencing the effectiveness of advertisement in Soft Drink industry. These factors are elaborated in the following section.

3.2.1 Elements of POP Ads

Point Of Purchase Ads provide the marketers the last opportunity to communicate their marketing objectives to the shopper before a purchase is made. Donovar, et al. (1994)\(^1\) have found that POP plays a major role in inducing unplanned purchase behaviour and it induces them

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to stay at the store for a longer period of time thereby increasing the chances of further spending.

POP Ads are meant to Inform, Remind, Induce purchase behaviour, and Build Store Image. The current research used these elements to establish the linkage between these elements and the outcome elements.

3.2.2 Elements of Celebrity Endorsement

Erdogan, Baker and Tagg (2001)\(^1\) have noted that there are at least four models which give theoretical explanations for the effectiveness of Ads using Celebrity Endorsers. These four models elaborate on the critical elements of Celebrity Endorsement which are listed below.

1. **Source Credibility:** Refers to the Trustworthiness / Credibility of the endorser.

2. **Source Attractiveness:** Depends on Similarity, Familiarity and Liking of an endorser.

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Similarity is the resemblance between the source and receiver, Familiarity is the knowledge of the source based on previous exposure and Likeability is affection for the source as a result of physical appearance or behaviour.

3. **Image Match up**: Matching of the entire image of the endorser with that of the endorsed brand.

The elements Source Credibility / Model Attractiveness and Image Match up are a part of the variables set in the current study.

3.2.3 **Elements of Moderating Variables**

Store category/type has been categorized in the literature based on the benefit that the shopper would draw from the store. Levy and Weitz (1995)\(^1\) have suggested that, customers see a store as a collection of characteristics and benefits sought and have classified the stores as Convenience, Variety and Experiential based on the performance benefits they provide the shoppers.

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These benefits are derived out of several variables like price discounts, freebies, convenience, quality perceptions, store ambience, and service levels at the store. In Soft Drinks industry, there has been standardization in terms of categorizing store/outlets as Gold or Diamond based on their volume of sales and Trade Channels as Eating & Drinking, Grocery and Convenience.

The current research used five broad elements, namely, Trade Channel, Age Group, Store Category, Gender and Income Group of the Location to establish the linkage between these elements and the outcome elements.

3.2.4 Outcome Elements

Three of the most common measures of advertising effectiveness generally discussed in the advertising literature (MacKenzie and Lutz, 1989) are Attitude toward the advertisement, Attitude toward the Brand and Purchase Intent. Accordingly, these have been used in the

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current study to evaluate the effectiveness of cause elements.

3.3 Key Variables of the Research Framework

The present conceptual framework is built around three groups of variables namely, dependent variables, independent variables and moderating variables.

**Dependent Variables of the study**

Dependent variables are the outcome variables, which are of paramount importance to the current study. Ad Effectiveness is the broad outcome variable which is universally measured by the elements Brand Recall, Ad Recall, Recognition, Attitude towards the brand, Ad Evaluation and Purchase Intent. The Current study is envisaged to measure Attitude towards Brand, Attitude towards Ad and Purchase Intent as outcome variables.

**Independent Variables of the study**

An independent variable is a cause variable which influences the dependent variable positively or negatively. In this study, two sets of independent
variables are identified, namely, POP Ads and Celebrity Endorsed Ads.

- POP Ad Elements constitute elements which Inform, Remind, Induce purchase behaviour with respect to consumers, and Build Store Image.
- Celebrity Endorsed Ad Elements constitute elements of Source Attractiveness, Source Credibility and Image Match up.

*Moderating Variables of the study*

Moderating Variables significantly influence the originally expected relationship between dependent and independent variable. They may increase or decrease the strength of Cause and Outcome variables. In the current study, Trade Channel, Age Group, Store Category, Gender and Income group of the location are considered to have moderating effect.
3.4 Research Questions and Hypotheses

The Conceptual framework and identification of research variables helped the researcher to rephrase the research question and hypotheses as under.

**Research Question 1 and Hypothesis 1**

**Q1:** Is there any significant relation between Advertisements with Celebrity cue and Attitude towards Brand advertised?

**H1:** There exists a significant relation between Advertisements with Celebrity cue and Attitude towards Brand advertised.

**Research Question 2 and Hypothesis 2**

**Q2:** Is there any significant relation between Advertisements with Celebrity cue and Attitude towards Advertisement?

**H2:** There exists a significant relation between Advertisements with Celebrity cue and Attitude towards Advertisement.
Research Question 3 and Hypothesis 3

Q3: Is there any significant relation between Advertisements with Celebrity cue and Purchase Intent?

H3: There exists a significant relation between Advertisements with Celebrity cue and Purchase Intent.

Research Question 4 and Hypothesis 4

Q4: Is there any significant relation between Point of Purchase Ads and Attitude towards Brand advertised?

H4: There exists a significant relation between Point of Purchase Ads and Attitude towards Brand advertised.

Research Question 5 and Hypothesis 5

Q5: Is there any significant relation between Point of Purchase Ads and Attitude towards Advertisement?

H5: There exists a significant relation between Point of Purchase Ads and Attitude towards Advertisement.
**Research Question 6 and Hypothesis 6**

**Q6:** Is there any significant relation between Point of Purchase Ads and Purchase Intent?

**H6:** There exists a significant relation between Point of Purchase Ads and Purchase Intent.

**Research Question 7 and Hypothesis 7**

**Q7:** Is there any significant difference among Moderating Elements towards Outcome Elements?

**H7:** There exists a significant difference among Moderating Elements towards Outcome Elements.

These Seven hypotheses are built into a unified framework represented as the research framework, as shown in Figure 3.2 in the next section.
Figure 3.2 Research Framework

Independent Variables

- Point of Purchase Ads
  Assumed Cause Effect
  - Inform
  - Remind
  - Encourage
  - Induce
  - Create Excitement
  - Build Store Image.

- Celebrity Endorsed Ads
  Assumed Cause Effect
  - Believability
  - Attractiveness
  - Reliability
  - Trustworthiness
  - Credibility

Moderating Variables

- Store Category/Trade Channel/Age
  Gender/Income
  Moderating effect

Dependent Variables

- Ad Effectiveness
  Outcome Effect (Recall, Attitude & Purchase Intention)

Source: Developed by the researcher
Summary

The current chapter made certain propositions based on the findings of the literature survey at the beginning of the chapter. These propositions helped the researcher to conceptualize the research framework.

Further sections of the chapter, presented the research purpose, and explained the key elements influencing effectiveness of Ads. Subsequent sections presented the key variables of the framework.

The conceptual framework and identification of research variables helped the researcher to present the research questions and hypotheses to give a direction to pursue the research work.

The final section of this chapter presented a diagrammatic view of the unified framework depicting the inter relationship between variables.

The following chapter presents the Research Methodology of the current study.