CHAPTER 3

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The Review of past studies undertaken in the subject - “Impact of Celebrity Endorsement on consumer purchase intention towards FMCG(with special reference to Household care and Personal care)”, revealed that there is need to study the said subject in the Indian context. It was also shown that the impact of Trustworthiness, Expertise, and Attractiveness on consumers purchase intentions, attitude towards the celebrity endorsed FMCG products and brand play a significant role in selecting a celebrity to endorse a brand. This study has explored these aspects in the context of Punjab Market. In this chapter, the ideology associated with each of the research objectives has been discussed in detail. Also, the methodology used for questionnaire development, Ohanian scale (1990), purchase intention scale, Informative scale, respondents of the study, data analysis and interpretation has been discussed.

There are two approaches to the research, i.e., Quantitative and Qualitative. Quantitative research is used to analyse the relationship between the variables by applying standardized methods and techniques. Qualitative research is used to assess the attitudes, opinions, and behaviour of the consumers.

In context of this study, the consumer perception and attitude were measured using a qualitative scale. The responses of consumers were collected using a non-metric scale. The data collected through non-metric scale was converted into metric scale.

3.1 Need and Significance of the study

The current topic aims at ascertaining the influence of celebrity endorsements on consumer buying behaviour in perspective of household and personal care. The prevailing notion among advertiser is that associating a celebrity with a product/brand gives it a higher degree of appeal and recall value than a product which is related to a
Although some research has already been done on the impact of celebrity endorsement on consumer’s buying behaviour as a whole (Randhawa & Khan, 2014) and also on consumer’s perception and buying behaviour towards FMCG (Tariq et al., 2013) but the research so far has been diversified and no research has analysed the combined effect i.e. what effect a celebrity is having on the buying intention of a consumer when the consumer is buying household care and personal care products. Since nowadays the number of celebrities endorsing these products has increased, so it becomes crucial to analyse the amount and kind of impact these celebrities are having on the consumers buying pattern. The study focuses on the urban as well as rural consumers. This study will highlight the purchase intentions of consumers and most significant factor in celebrities’ that positively affect the consumer’s buying intentions. This study will help the marketers to choose celebrities and to understand the consumer behaviour towards household care and personal care. The main aim of this study is to answers the following questions:

1. Does celebrity trustworthiness, expertise and attractiveness effect consumer buying behaviour (for Household and personal care)?

2. Does consumer prefer to buy the celebrity endorsed FMCG products?

### 3.2 Objectives

The main objective of the study is to measure the impact of celebrity endorsement on buying behaviour of consumer in two segments of FMCG sector (Household care & Personal care). The sub-objectives are:

1. To study the effect of demographic variables on purchase intention of celebrity advertised FMCG products.

2. To study the consumer perception towards celebrity endorsed FMCG products.

3. To study the impact of trustworthiness, expertise, and attractiveness of celebrity on consumer’s buying behaviour.
4. To study the role of celebrity endorsement in the determination of consumer buying behaviour towards household and personal care products.

3.3 Hypothesis

On the basis of study objectives, the following objectives have been developed:

- $H_{01}$: There is no significant impact of demographic variables on the buying intention of consumer towards celebrity endorsed products.

- $H_{02}$: There is no significant difference in the perception of the consumers towards celebrity endorsed advertisement.

- $H_{03}$: There is no significant impact of trustworthiness of celebrity endorsers on the consumer purchase intentions.

- $H_{04}$: There is no significant impact of expertise of celebrity endorsers on the consumer’s purchase intentions.

- $H_{05}$: There is no significant impact of attractiveness of celebrity endorsers on the consumer purchase intentions.

- $H_{06}$: There is no significant role of celebrity endorsement on consumer buying behaviour towards household and personal care.

3.4 Problem Statement

“Impact of Celebrity Endorsements on Buying Behaviour towards FMCG Sector(Special reference to Household and Personal Care)”

The fundamental problem here is to identify the celebrity characteristics features such as Trustworthiness, Expertise, and Attractiveness which would influence the buying behaviour towards household and personal care. The presence of famous celebrities in the advertisement influences information search, brand recall, and recognition. Celebrities are also considered as credible because consumer believes that majority of the celebrities are using the products that they endorse. Celebrity essence in the advertisement ought to be suitable for the product that they endorse.
The study has to identify the relationship of demographic variables on consumer perception towards FMCG endorsed products, role celebrity of celebrity endorser on consumer preferences while purchasing FMCG products and impact of celebrity credibility on consumer attitude. The study is related to only household care and personal care products. Different FMCG segment possesses different attributes based on their utility. These products are required on a daily basis, which motivates the consumer to make their purchases.

Price of the product has become an important component of the advertisement. The other factors which motivate the consumer to purchase the products are quality, quantity, experience and packaging/trails.

3.5 Scope of the study

This study focuses on the impact of celebrity endorsement on consumer buying behaviour towards FMCG (Household and personal care). The scope of the study is limited to consumer purchase intention, consumer perception and celebrity credibility on consumer purchase intention. The study is limited to two particular sectors only: household care and personal care. Products in household care segments like fabric wash, kitchen cleaner, bathroom cleaner, floor cleaner and air freshener and personal care like skincare, deodorants, perfumes, face cream, etc. are selected for this research. The area of study is the state of Punjab. The research focuses on urban/rural consumers residing in Bathinda, Amritsar and Jalandhar district. The study is restricted to only consumer views. The sample will consist of respondents from the rural and urban population. The celebrities considered for the study were artists, bollywood stars, and sports personality. The study can further be done for those segments of FMCG which are not covered in this study and taking into consideration the retailers point of view on consumer perception. This report can be used in future studies and the suggestions given in the study will be useful for the marketers in choosing the celebrity for product endorsement.
3.6 Academic Justification

Past studies explored many new issues related to the celebrity endorsement such as multiple celebrity endorsements, Negative publicity of celebrity and effectiveness of celebrity endorsers more than Non-celebrity. Moreover, there are many studies conducted focussed in FMCG industry in India, but to the best of our knowledge based on the literature review, no previous study has been done in context to consumers of Punjab. Another reason for selecting this topic is based on the fact that no previous research has emphasized to study the impact of celebrity endorsement on consumer buying behaviour on FMCG products (special reference to household and personal care). Academically, this study will be helpful in understanding the perception and consumer purchase intention towards celebrity endorsement which may reveal some interesting facts and directions for future research.

3.7 Research Design

The study is exploratory and descriptive because exploratory research helps to explore the topic and descriptive research helped to analysis the topic towards the celebrity endorsement.

3.8 Sample Design

The sampling design was used to collect the accurate responses from the respondents. Sampling plan for the primary data was:

- **Universe**: present study focussed on state Punjab. The researcher chose three regions of the Punjab, i.e., Majha (Amritsar), Malwa (Bathinda) and Doaba (Jalandhar).

- **Population**: Urban, Sub-urban and Rural respondents from the above said regions.

- **Scope**: The area under study will be Punjab. The state of Punjab is broadly divided into three regions: Majha, Malwa and Doaba. The research will focus on urban/rural consumers residing in Bathinda, Amritsar and Jalandhar district.
These regions were chosen based on their rural and urban population (“Districts of Punjab”, 2011). The scope of the study will be limited to two particular sectors only: household care and personal care. Sample will consist of respondents from rural and urban population. Care would be taken to ensure that all of set populations are adequately represented in the sample. The study will be restricted to electronic media (TV, internet and radio). The celebrities can be an artist, Bollywood star or a sports personality.

- **Sample Technique**: The sampling method used is Judgemental sampling because it decreases the cost and time to conduct the study. The selected regions were broken into strata and judgemental sampling was used to select units within each strata.

- **Scaling Unit**: General public (representing different gender, marital status, family income, age, education, occupation, family structure, area and city) of concerned area of my study.

- **Sample size**: The total sample size was 900 respondents, 300 respondents from each districts were selected by judgemental sampling. As sample size was very large and researcher face many problems to choose the sample size, so researcher used stratified random sampling to select the size of population. Further, disproportionate stratification was used to select the size of the urban, sub-urban and rural population. The three districts were selected on the basis of the size of the populations. Pilot survey was conducted which involved 100 participant. The errors reported by the respondents were removed. After correction the questionnaire was sent to 1000 respondents via offline and online mode. 950 respondents gave their feedback. After careful verification 902 responses were found to be correct for analysis. Rest 48 were rejected because of data entry in-completion or errors.
3.9 Data Collection

- Secondary data was used to understand the various aspects of celebrity endorsements and their influence on consumer purchase intentions towards household care and personal care. Secondary data was also collected through multiple research papers, journals, magazines, and articles to satisfy the need of our objectives.

- Primary data was collected through questionnaire. For primary data collection Likert scale, Purchase Intention scale developed by Lepkowska-White, Brashear, and Weinberger (2003), Informational scale developed by Sundar, Kalyanaraman, and Brown (2003) and Ohanian Scale by Ohanian (1990) were used.

A well-structured questionnaire was used to gain the fresh insights into the impact of celebrity endorsements on consumer buying behaviour towards FMCG (with particular reference to Household and personal care). Researcher framed the structured questionnaire to collect the primary information from the urban, sub-urban and rural respondents. The questionnaires were distributed to the three regions of Punjab, i.e., Majha (Amritsar), Malwa (Bathinda) and Doaba (Jalandhar).

The exhaustive questionnaire was divided into three parts, i.e., Demographic attributes of the respondents, effect of celebrity credibility on purchase intention of the consumer and to measure the consumer perception towards celebrity endorsed FMCG products. Open-ended questions were asked of respondents which media vehicle they prefer most to get information about FMCG products viz. TV, Radio, Newspaper, Internet and others too. To find the most influencing factors from cost, celebrity endorsement, quality, quantity, experience, and others (packaging/Trials) which influence consumers purchase intention while purchasing a product.
The effect of demographic variables on purchase intention has been studied. The purchase intention was measured using a standardized instrument. Three statements measured on five-point Likert-type was used to assess the likelihood of a person buying a brand featured in an advertisement if the person was in the market for such a product. The instrument was developed by Lepkowska-White et al. (2003) (refer figure 3.1) and the scale is referred to as “Purchase Intention.” The items for Purchase Intention had a Cronbach’s alpha coefficient of 0.75, indicating acceptable reliability.

To measure the effect of celebrity credibility on consumer purchase intention semantic differential scale given by Ohanian (1990) was used. The scale is mentioned in figure 3.2.

The items for Trustworthiness had a Cronbach’s alpha coefficient of 0.83, indicating good reliability. The items for Physical Attractiveness had a Cronbach’s alpha coefficient of 0.79, showing acceptable reliability. The items
for Expertise had a Cronbach’s alpha coefficient of 0.86, indicating good reliability.

To examine the consumers’ awareness about the FMCG products being endorsed by the celebrity, the respondents were offered a list of nine FMCG product lines, and they were asked to recognize the products endorsed by the celebrities. Products lines were divided into two categories viz. Household care and personal care. Household care segment comprised of Fabric wash (Detergent powder/soap), floor care, kitchen cleaning, bathroom cleaning, and air freshener. Personal care comprised of skin care (Face cream, Body lotion, etc.), Deodorants/Perfumes, Hair care (Hair oil, shampoo, etc.), Oral care (Toothpaste, Mouthwash, etc.)

The “Buying Behavior” of the consumers was examined by asking the consumers their intentions to buy a set of FMCG products (household and personal care products) endorsed by celebrities. The respondents were asked to rate their intention to buy the set of FMCG products on four points Likert scale from ‘Will definitely buy = 1’ to ‘Will definitely not buy = 2’. The mean score between 1-2 suggested the positive intention to buy whereas 2-2.5 suggested a weak intention to buy, mean score between 2.5-3 suggested weak intentions towards not to buy and mean score between 3-4 suggested intentions not to buy a product endorsed by the celebrity.

The consumer perception towards FMCG products was examined using five items, five-point bi-polar scale used to measure a person’s perception towards FMCG endorsed products. The scale was developed by Sundar et al. (2003) (refer figure 3.3). The respondents were asked to rate their perception towards the celebrity endorsed FMCG products on the five informational attributes, from positive perception (= 1) to negative perception (= 5). Which means lesser the score, higher he rating or higher the information on the attribute and higher the score, poor the rating. The score between 1to2 suggested the high to a very high level of information, 2-3 suggested moderate to a fair level of informational, 3-4
Figure 3.3: Sundar, Kalyanaraman, and Brown (2003) scale

<table>
<thead>
<tr>
<th>Informative</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>Un-informative</th>
</tr>
</thead>
<tbody>
<tr>
<td>Useful</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Useless</td>
</tr>
<tr>
<td>Positive</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Negative</td>
</tr>
<tr>
<td>Favourable</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Unfavourable</td>
</tr>
<tr>
<td>Good</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Poor</td>
</tr>
</tbody>
</table>

Figure 3.4: Researcher’s own scale

The reliability of the scale was determined by checking the Cronbach’s alpha value. The Alpha coefficient of the scale was found to be very good (Cronbach’s Alpha = 0.847).

A scale with three statements was developed by the researcher (refer figure 3.4) to examine further the consumer perception towards FMCG products endorsed by the celebrity. The respondents were asked to rate the three statements on a five-point Likert scale from strongly disagree = 1 to Strongly agree = 5. Higher the score, more the agreement with the statement. The three statements were “Celebrities help me more to remember the product”, “I would buy a brand if my favourite celebrity is endorsing it” and “I will stop buying a brand if my favourite celebrity endorsing it gets involved in a scandal.” The reliability of the scale was examined using Cronbach’s alpha. Alpha statistics = 0.652 suggested moderately good reliability of the scale.
The role of celebrity endorsement in the determination of consumer buying behaviour has been studied using the scale developed based on the previous literature. In the literature, two aspects of the role of celebrity endorsement have been studied. Theoretically, the celebrity affects the consumer buying behaviour in two ways – (1) to gain the attention of the consumers; (2) motivate them to buy the product. Therefore, theoretically, two components or dimensions of celebrity endorsement were hypothesized. Based on the literature, a set of 8 statements measuring the role of celebrity endorsement on consumer buying behaviour was prepared. The statements were measured on five points Likert scale from Strongly disagree (= 1) to Strongly agree (= 5). The final questionnaire is attached in the appendix.

3.10 Data inputs

- Household care: fabric wash, kitchen cleaning, bathroom cleaning, floor care and air fresheners.
- Personal care: Deodorant, perfumes, skin cream, talcum powder, and toothpaste.

3.11 Assumptions

The following assumptions were considered:

- The celebrity in the endorsed product is known to the respondent.
- The respondents will answer the queries without intentional bias.
- Researcher will explain the scale to respondents individually and asked them to answer the questions.
- The respondents will not use his/her personal feelings or opinions regarding the celebrity or the product to fill the questionnaire.
- The products considered for the study are used by both genders.
3.12  Conceptual Framework

Conceptual framework provides right direction to fulfill the research goals and questions. It provides the reference points for literature review, research methodology, and analysis of data. It contributes to and validates the research study. This study focuses on key concepts related to the study such as celebrity, celebrity endorsement, the impact of celebrity endorsement on consumer buying behaviour and on purchasing intention. Figure 3.5 shows the conceptual framework developed for the study.

**Figure 3.5: Conceptual Framework**

Attributes of Celebrity Endorser: Ohanian (1990), developed a scale for measuring celebrity endorser perceived expertise, trustworthiness and attractiveness. This scale consists of 15-items semantic differential scale to measure perceived trustworthiness, expertise and attractiveness.

1. “Trustworthiness is the consumer’s level of trust in the communicator’s aim to convey the statements she/he generally considers legitimate.” Giffin (1967) scrutinized the concept of Trustworthiness and called it “ethos” and Hovland, Janis, and Kelley (1953) called it “source credibility.” Trustworthiness of celebrity is an important construct to persuade the consumer. Trustworthiness constructs consists of items: “Dependable - Undependable, Honest - Dishonest, Reliable - Unreliable, Sincere - Insincere and trustworthy-Untrustworthy.”

2. Expertise: referred to as “Authoritiveness” (McCroskey, 1966), “expertness”
(Applbaum & Anatol, 1972) or “qualification” (Berlo, Lemert, & Mertz, 1969). A person’s expertise in a particular field has a positive effect on consumer’s perception. For example, sports athlete like Virat Kohli endorses “Boost” as he is an expert in cricket. Expert advice influences the consumer attitude and their purchase intentions too. This construct comprised of “Expert - Not expert, Experienced - Not Experienced, Knowledgeable - Unknowledgeable, Qualified - Unqualified and Skilled - Unskilled.”

3. Attractiveness: Physical attractiveness plays a pivoted role in influencing the first impression about a product. This construct is not unidimensional, and different definitions are used to define attractiveness. Attractiveness construct comprised of “Beautiful - Ugly, Classy - Not classy, Sexy - Not sexy, Elegant - Plain and Attractive - Unattractiveness.” These are the factors that make endorsers more attractive to the respondents.

Product Attributes:

- Cost - Cost is an amount to be paid to get something done. Business cost includes effort, material, resources, time, risk incurred and delivery of good or service. Past literature and research reports showed that many firms had gone beyond their advertising budget to get the best celebrity for their brand. According to some advertising industry sources, Amir khan charges anywhere between 5-7 crore while Shahrukh Khan and Salman Khan’s endorsement fee is between 3.5-5 crore a day. All this also adds up to the cost of the product.

- Celebrity Endorsement - “Celebrity branding or celebrity endorsement is a form of advertising campaign or marketing strategy used by brands, companies, or a non-profit organization which involves celebrities or a well-known person using their social status or their fame to help promote a product, service or even raise awareness on environmental or social matters.” (celebrity) Celebrities are used with the desire that they will add to the positive image of the brand. The most common industry to use celebrity for endorsement is fashion/beauty. (Lee & Thorson, 2008).
• Quality - “Quality in a product or service is not what the supplier puts in; it is what the customer gets out and is willing to pay for” (Drucker, 2009) Quality is the experience of the customer. Customer judges the quality of the products through their perceptions. It’s tough to measure the customer satisfaction because satisfaction cannot be quantified in numeric value. Quality doesn’t improve until you measure it. Past studies show that customer relationship management revolves around quality, trust, loyalty, commitment, and satisfaction. Tsiotsou (2005) study confirmed that there is a positive relationship between product quality and consumers purchase intention. The study of (Eze, Tan, & Yeo, 2012) also found a positive relationship between consumer purchase intention and product quality. Better product quality ultimately leads to customer satisfaction.

• Quantity - Quantity is a term used in business to describe the total amount of goods and services demanded by the customer in the market. It depends on the price of a good or service in the market. Fazri, Afiff, and Balqiah (2017) research show that high demand mediates the variable between product quantity and buying intentions. Organized products lead to the high demand for the products.

• Experience - customer experience is the interaction between organization and customer during their relationship. Experience implies customer involvement at different level such as rational, emotional, sensorial, physical, and spiritual. Meyer and Schwager (2007) found out that customer experience is necessary or important for the companies because it affects customer satisfaction and customer loyalty. It also creates emotional bonds between marketers and customers. The satisfied service provider makes happy customer by providing the ultimate experience for them. The underlying logic connecting service provider satisfaction and loyalty to customer satisfaction and loyalty in turn company profits.

• Packaging - Packaging element is a good means of communication between
companies and consumers. Different packaging attributes like colour and design make it easy for the consumer to recognise their favourite brands. Product Information on the label of the product is important and helps the companies to communicate about their brand image, logo, and content. According to Zekiri and HASANI (2015) new innovative design in packaging can attract number of customer. Packaging design should be such that the product easy to open, easily stored, recyclable, etc. All these factors help the consumers to buy the product during buying decision process. Poorly designed packages can cause headaches for the customer and lost sales for the company. On the other hand, innovative packaging can give a competitive advantage to the company over their competitors and boost their sales. Heinz launched Tomato ketchup with new packaging “fridge door fit” bottle and their sales jumped 12% in the four-month following its introduction.

3.13 Data Analysis Tools

With the significance of the objectives and hypothesis framed, suitable factual techniques and methods had been used in the study to arrive at the findings. Frequency distributions, Likert scaling, ANOVA, Multiple Regression, Reliability Analysis, Rotated factor analysis, EFA (Exploratory factor analysis), Pearson’s correlation had been used. Data were analysed by using SPSS (Statistical Package for Social sciences) software. First of all, this phase comprised of processing, coding, tabulation, and analysis of data. The data was transferred from excel sheet to SPSS software.

- Objective 1 consist of Q1, Q13, and Q20. It measures the effect of demographic variables on purchase intention of celebrity advertised FMCG products. This effect was analysed by using T-test and ANOVA. To measure the joint effect of demographic variables on PI by using multiple regression. Where eight demographic variables were Independent variable and Purchase intention was the dependent variable. One way ANOVA was run to measure the significance of independent variables.

- Objective 2 consists of Q12, Q14, Q15, Q16, Q17, and Q21. It measures the
consumer perception towards celebrity endorsed FMCG products. Frequency
distribution, percentile, and ANOVA.

• Objective 3 consist of Q19 and is used to measure the effect of celebrities for
endorsing the product in FMCG advertisement. Ohanian (1990) scale was used
to collect the responses. Responses were measured by using ANOVA and multiple
regressions.

• Objective 4 consist of Q22 and is used to assess the role of celebrity endorser on
consumer preferences while purchasing FMCG products. Results were assessed
by using EFA (Exploratory Factor Analysis).

The collected data was analyzed by using following methods:

• T-test is used to analyze the perception of respondents towards celebrity.

• ANOVA test is used to measure the demographic attributes of the respondents
endorsed product and celebrity endorsement.

• Co-relation and Multiple Regression is used to measures the products and
celebrity endorsement to check the most relevant variable for the respondents.

3.14 Limitations of the study

The study covers the consumer household and personal care products from the FMCG
sector, and hence the study cannot be generalized for other FMCG products. It
includes the respondents of fast moving goods in Jalandhar, Amritsar, and Bathinda of
Punjab state. Due to time constraint, the researcher is unable to cover respondents
from all districts of Punjab. This study covers only consumers viewpoint but not the
dealer and celebrity views. In this study sample size was 900 and the study depends on
the consumer sample only, so the results of the study can be generalized from the
consumer point of view only. The study has not attempted to understand the influence
of non-celebrity advertised FMCG products on consumer buying behaviour.