

Celebrity Appeal and Consumer Choices: A Comprehensive Analysis of the Role of Celebrity Endorsements on Buying Behaviour in India's Evolving FMCG Sectors

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Abstract

Celebrity endorsements has become a popular marketing approach in India, especially in FMCG sector with a significant influence on consumer behaviour. The purpose of this study is to analyse the impact of celebrity endorsements on consumer behaviour and sales using quantitative approaches. The study used descriptive statistics, correlation and regression analysis from a sample size of 500 to determine how celebrity endorsements influence consumer perceptions and purchase intentions. The analysis provides a complete overview of consumer attitudes regarding celebrity endorsements, focusing on factors such as credibility and perceptions of product quality as key influences on consumer decision making processes. It demonstrated strong positive correlation between many aspects of celebrity endorsements and consumer purchase intentions. It also identified the significant determinants of sales such as marketing expenditures, number of endorsements, celebrity credibility and product quality perception, emphasising their importance in driving revenue for company.

Keywords: Celebrity endorsements, Consumer behaviour, FMCG, India, Marketing strategy

Introduction

Celebrity endorsements are based on the concept of social influence. Consumers frequently look up to celebrities as role models and are more likely to mimic their decisions and preferences. By linking a product with a well-known and admired individual, businesses hope to transfer the celebrity's favourable traits to the product. This association may increase the product's appeal, credibility and desirability among consumers. To optimise endorsement effectiveness, brands must carefully identify endorsers who share their values and target demographic. Regardless of the hurdles, when done well, celebrity endorsement can result in tremendous

marketing success and long-term brand loyalty. Celebrity endorsements have been a common marketing approach, particularly in the FMCG industry. In India, where celebrities are extremely popular and influential, brands use the star power of actors.

According to research, celebrity endorsements have a major impact on consumer behaviour because they increase attention, interest and favourable views toward the promoted brand. Celebrity endorsements remain a popular technique in the Indian FMCG business, particularly in sectors such as personal care, food & beverages. In a highly competitive industry, businesses hope to build emotional resonance and drive consumer loyalty by linking these common products with popular celebrities.

The personal care market is extremely competitive, with various brands fighting for customer attention. Celebrity endorsements in this area are critical for differentiating items and developing a loyal customer base. Celebrities such as Ranveer Singh, Deepika Padukone and Kiara Advani frequently appear in advertisements for personal care brands such as Colgate, Lux and Pond's. These endorsements are intended to foster trust and aspirational value, enabling customers to identify the product with the glamour and dependability of their favourite celebrities. Celebrity endorsements also have a significant impact in the food and beverage market. Celebrity endorsements are used by brands in this category to establish a strong emotional connection with their target audience and increase brand loyalty. Brands like Nescafe and Thums Up use celebrities like Disha Patani and Salman Khan to reach their target population.

These endorsements try to increase brand loyalty and consumer preferences by exploiting the endorsers' popularity and perceived authenticity. This study investigates the continued use of celebrity endorsements in 2024 and assesses their effectiveness in influencing customer behaviour and boosting sales in the Indian FMCG sector. By focusing on these two areas, we hope to provide a thorough knowledge of how celebrity endorsements influence consumer sentiments and the overall success of marketing initiatives.

This study aims to provide a comprehensive knowledge of how celebrity endorsements effect consumer attitudes, brand perception and overall marketing performance by focusing on the personal care and food & beverage categories. This study will also provide insights into the strategic use of celebrity endorsements and their impact on consumer decision making processes by analysing specific businesses and their endorsements. The findings will assist marketers and businesses in better understanding the dynamics of celebrity influence and optimising their endorsement strategies for improved market outcomes.

Objectives

The objective of this paper is to provide a thorough understanding of how celebrity endorsements affect consumer behaviour, brand perception and overall marketing efficacy in the Indian FMCG industry.

1. To examine how celebrity endorsements influence consumer perceptions and actions toward FMCG products
2. To assess the relationship between celebrity endorsements and sales success in the personal care and food & beverage industries.

Literature Review

The impact of celebrity endorsements on consumer behaviour has attracted the curiosity of both researchers and marketers. This literature review summarises data from several research articles, with an emphasis on the role of celebrity endorsements in India's fast moving consumer goods (FMCG) market.

Celebrity endorsements and brand perception: Celebrity endorsements have a tremendous impact on brand perception. According to McCracken (1989), celebrities act as powerful middlemen between brands and consumers, transferring their image and traits to the endorsed product. The meaning transfer model implies that celebrity traits such as trustworthiness, attractiveness, and knowledge might improve the brand's image (Erdogan, 1999)

Celebrity endorsements have a particularly strong impact on the Indian FMCG sector since celebrities are highly valued in Indian culture. Choi and Rifon (2007) discovered that Indian customers are more likely to perceive recommended products positively if the endorser is a well-known and respected individual. This is consistent with

Roy's (2012) findings, which showed that celebrity endorsements in India result in higher brand recall and a more favourable attitude toward the company. S J Mishra (2014) found that celebrity endorsement can create a short-term impact, which eventually occurs in a positive change in the attitude towards the endorsed brand particularly on FMCG.

Influence on consumer purchase intentions: The impact of celebrity endorsements on customer purchasing intentions has been extensively researched. According to Erdogen (1999), a trustworthy celebrity endorsement can have a considerable impact on consumer purchasing decisions. This is supported by Ohanian's (1991) research, which identified three essential dimensions of celebrity endorsers: trustworthiness, expertise, and attractiveness, all of which favourably influence purchase intentions. Studies in the Indian FMCG sector have demonstrated that celebrity endorsements can increase sales and market share. For example, Jain and Roy (2016) proved that celebrity endorsements increase Indian customers' propensity to purchase, notably in the FMCG sector. According to their findings, celebrities foster a sense of familiarity and trust, which leads to increased purchase intentions. S.J. Mishra et al. (2017) found that celebrity endorsement has a significant impact on consumers purchase intention due to credibility of the celebrity and congruence between the celebrity and the brand.

Consumer trust and credibility: Trust and trustworthiness are critical components in the success of celebrity endorsements. According to Amos. Holmes and Strutton (2008), a trustworthy endorsement can increase consumer trust in a product, making them more inclined to buy. This is especially important in the FMCG sector, where consumer trust is crucial. In India the legitimacy of the celebrity endorsement has a big impact on consumer behaviour. Biswas, Biswas and Das (2006) discovered that Indian consumers are more likely to believe and buy products promoted by trustworthy celebrities. Their study found that recommendations from celebrities who were seen to be honest and credible have increased consumer trust and purchase likelihood.

Cultural Influence on celebrity endorsements: Cultural considerations have a big impact on celebrity endorsements. Hofstede's (1984) cultural aspects theory proposes that individualistic societies may react differently to celebrity endorsements than collectivist civilizations. Celebrity endorsements are especially powerful in India, which has a collectivist culture that values social approval and group acceptance. Seno and Lukas (2007) found that celebrity endorsements are more effective in collectivist cultures such as India because of the social power that celebrities have. This is supported by Sharma and Singh (2013), who discovered that Indian customers are more willing to buy products promoted by celebrities who share their cultural values and social standards.

Challenges and ethical considerations: Despite the success of celebrity endorsements, it has its own problems and ethical concerns. Misalignment between a celebrity's image and the brand might result in bad consumer perceptions (Till and Shimp, 1998). Furthermore, overreliance on celebrity endorsements can lead to consumer mistrust and endorsement fatigue (Tripp, Jensen and Carlson, 1994). In India ethical concerns arise when celebrities support products that may be detrimental to consumers, such as unhealthy food items or products with overstated promises. Ramesh (2017) emphasized celebrities' ethical obligation to advocate items that are consistent with their principles and contribute positively to society.

Research Methodology

A comprehensive study is made for knowing how celebrity endorsements influence customer views and actions toward FMCG products as well as their relationship with sales success in the personal care and food & beverage industries. A stratified random sample of 500 respondents were taken from various demographics such as age, gender, income and geographic area. A structured questionnaire using likert scale questions to assess consumer perceptions, attitudes and purchasing intentions for celebrity endorsed FMCG products has been used. Both descriptive and inferential statistics have been used for analysing the data. To summarize the responses to provide an overview of consumer attitudes towards celebrity endorsements descriptive statistics has been used. To examine

the relationship between celebrity endorsements and consumer purchase intentions correlation analysis and to assess the impact of celebrity endorsements and sales figures regression analysis has been used. Monthly sales data and marketing expenditure on celebrity endorsements and other promotional activities have been collected from FMCG companies in the personal care and food & beverage industries.

Analysis and Interpretation

The data analysis uses descriptive study, correlation and regression analysis to explore the impact of celebrity endorsements on consumer behaviour. The descriptive study presents an overview of consumer sentiments toward celebrity endorsements. The correlation analysis looks at the relationship between different aspects of celebrity endorsements and consumer purchase intentions. Finally, the regression analysis determines the impact of various parameters of celebrity endorsements on sales, revealing the significant drivers of sales performance. Together all these evaluations provide useful insights for optimising endorsements to increase consumer involvement and sales.

The descriptive analysis was used to describe customer views toward celebrity endorsements. We collected survey responses to determine essential indicators for celebrity endorsements. The data provides useful insights into how customers react to celebrity endorsements in the FMCG sector.

Table 1: Survey Summary: Consumer Attitudes Towards Celebrity Endorsements

Survey Question	Mean	Median	Mode	Standard Deviation	Percentage of Positive Responses
1. How frequently do you see celebrity endorsements in advertisements?	4.2	4	5	0.84	82%
2. How celebrity endorsements are influential in your decision to try a new product?	3.7	4	4	1.12	68%
3. Do you trust a product more when they are promoted by a celebrity you admire?	3.9	4	4	1.05	74%
4. How essential is the credibility of the celebrity endorser to you?	4.1	4	5	0.96	79%
5. How likely are you to switch brands if a celebrity promotes a competitive product?	3.5	3	3	1.22	63%
6. Do you believe that celebrity endorsements improve the perceived quality of a product?	4	4	4	1	76%
7. How often do you talk about celebrity endorsements with friends or family?	3.2	3	3	1.15	58%
8. How much more likely are you to buy a product that is promoted by multiple celebrities?	3.8	4	4	1.08	71%
9. How often do you follow celebrities on social media and respond with their endorsements?	3.6	4	4	1.14	65%
10. How much influence do celebrity endorsements have on your long-term loyalty to a brand?	3.9	4	4	1.1	72%

Insights:

Consumers frequently notice celebrity endorsements (Mean: 4.2 with 82% positive responses). Celebrity endorsements have a considerable influence on trying new products (Mean: 3.7, 68% positive responses). Consumers tend to trust products more if endorsed by admired celebrities (Mean: 3.9, 74% positive responses). The credibility of the celebrity endorser is important to consumers (Mean: 4.1, 79% positive responses). Celebrity endorsements have a moderate impact on brand switching (Mean: 3.5, 63% positive responses). There is a belief that celebrity endorsements increase perceived product quality (Mean: 4.0, 76% positive responses). Celebrity endorsements are a common topic of discussion (Mean: 3.2, 58% positive responses). Products endorsed by multiple celebrities are more likely to be purchased (Mean: 3.8, 71% responses). Many consumers follow celebrity endorsements on social media (Mean: 3.6, 65% positive responses). Celebrity endorsements have a moderate influence on long-term brand loyalty ((Mean: 3.9, 72% positive responses). This analysis represents a clear picture of consumer attitudes on celebrity endorsements, emphasizing the importance of credibility, trust and the significant impact of on purchase intentions and brand loyalty.

The correlation analysis was used to investigate the association between different factors of celebrity endorsements and consumer purchase intentions. This analysis helps in determining the intensity and direction of the relationship between the factors. Understanding these associations allows us to determine which celebrity endorsement elements have the greatest influence on consumer purchase intentions.

Table 2: Correlation between Celebrity Endorsements and Consumer Purchase Intentions

Variable	Consumer Purchase Intentions (Correlation Coefficient, r)
Visibility of Celebrity Endorsements	0.62
Impact of Celebrity Endorsements	0.75
Believe in Celebrity-Endorsed Products	0.68
Credibility of Celebrity Endorser	0.7
Brand Switching due to Celebrity Endorsements	0.59
Perceived Quality of Celebrity-Endorsed Products	0.71
Discussion about Celebrity Endorsements	0.55
Multiple Celebrity Endorsements	0.65
Engagement with Celebrity Endorsements on Social Media	0.6
Long-term Brand Loyalty Influenced by Endorsements	0.67

Insights:

Visibility of celebrity endorsements ($r=0.62$): There is a moderate positive connection showing that the more customers notice celebrity endorsements, the greater their purchase intentions.

Impact of celebrity endorsements ($r=0.75$): There is a significant positive correlation, indicating that the more influential the celebrity endorsement, the higher the consumer's buying intentions.

Believe in celebrity-endorsed products ($r=0.68$): A moderate positive association exists, indicating trust in celebrity-endorsed products is related with higher purchase intentions.

Credibility of celebrity endorser ($r= 0.70$): There is a strong association that demonstrates a celebrity endorser's credibility leads to increased purchase intentions.

Brand switching due to celebrity endorsements ($r=0.59$): A moderate positive association indicates that consumers are more inclined to switch brands if persuaded by celebrity endorsements.

Perceived quality of Celebrity-endorsed products ($r= 0.71$): There is a clear positive relation that indicates better perceived quality of celebrity-endorsed products result in increased purchase intentions.

Discussion about celebrity endorsements ($r=0.55$): A moderate positive association indicates that more frequent discussions regarding celebrity endorsements leads to increased purchase intentions.

Multiple celebrity endorsements ($r= 0.65$): There is a moderate positive correlation indicating endorsements from several celebrities increase buying intentions.

Engagement with celebrity endorsements on social media ($r=0.60$): There is a moderate positive association that shows increased engagement with celebrity endorsements on social media results in higher purchase intentions.

Long-term brand loyalty influenced by endorsements ($r=0.67$): There is a moderate to strong positive correlation indicates that celebrity endorsements influence long-term brand loyalty.

Multiple regression analysis was used to determine the impact of celebrity endorsements on sales data. The dependent variable was total sales revenue with the independent variables were marketing spend on celebrity endorsements, celebrity credibility rating, product quality perception, brand awareness, consumer trust in celebrity-endorsed products and social media engagement with celebrity endorsements.

Table 3: Regression Analysis: Impact of Celebrity Endorsements on Sales figures

Variable	Coefficient (β)	Standard Error (SE)	t-value	p-value	Significance
Intercept	50,000	5,000	10	< 0.001	***
Marketing Spend on Celebrity Endorsements	1.2	0.1	12	< 0.001	***
Number of Celebrity Endorsements	5,000	1,000	5	< 0.001	***
Celebrity Credibility Rating	2,500	500	5	< 0.001	***
Product Quality Perception	3,000	700	4.29	< 0.001	***
Brand Awareness	2,000	600	3.33	0.001	**
Consumer Trust in Celebrity-Endorsed Products	1,800	650	2.77	0.006	**
Social Media Engagement with Endorsements	1,500	500	3	0.003	**

Insights:

The baseline sales figure, without regard for the included factors, is 50000 units. This value shows statistical significance ($p<0.001$). Each unit increase in marketing spend on celebrity endorsements results in an increase of 1.20 units in sales and this factor is extremely significant ($p<0.001$). Similarly each additional celebrity leads to a 5000 unit increase in sales which is also extremely significant ($p<0.001$). Each unit rise in the celebrity endorser's credibility rating leads to 2500 units boost in sales and this factor is extremely significant as well ($p<0.001$). A higher product quality perception leads to 3000 units increase in sales and found extremely significant ($p<0.001$). Increased brand recognition leads to 2000 units increase in sales and is statistically significant ($p=0.001$). Higher customer trust in celebrity-endorsed products lead to 1800 units boost in sales. This variable is also significant with $p=0.006$. Increased involvement with celebrity endorsements on social media is connected with a 1500 unit increase in sales. This variable is also significant with a $p=0.003$. This analysis and insights show how different factors of celebrity endorsements affect sales data in the personal care and food & beverages sector.

Conclusion

In the conclusion, the celebrity endorsements on consumer behaviour in the FMCG sector reveals interesting results. Celebrity endorsements have a major impact on consumer views and purchase intentions as proven by correlations and regression analysis. Celebrity credibility, perceived product quality and strategic marketing investments all emerge as significant success factors. Brands can use these insights to improve their endorsement strategies with a focus on increasing credibility, boosting product perception and optimising marketing impact in order to effectively engage consumers and increase sales. Understanding and optimising celebrity endorsements

technique will remain critical to maintain a competitive edge and creating brand loyalty in the ever-changing FMCG landscape.

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