

**IMPLICATION OF CELEBRITY ATTRIBUTES TO THE EFFECTIVENESS
OF ADVERTISING IN FAST-MOVING CONSUMER GOODS (FMCG)
BUSINESS**

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JUNE 2018

„I/We, here declared that I/We had read through this thesis and in my/our opinion that this thesis is adequate in term of scope and quality which fulfil the requirements for the award of Bachelor of Technology Management (High Technology Marketing)

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DECLARATION

“I admit that this report is the result of my own, except certain explanations and passages where every of it is cited with source clearly.”

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DEDICATION

I would like to dedicate the appreciation to my family members who supported me from spiritually and financially, beloved supervisor and panel who guided me throughout the research, housemates and course mates that assisted me through the journey of research.

ACKNOWLEDGEMENT

I would like to take this opportunity to express my sincere appreciation to my supervisor, IR. Budiono Hardjono for guidance and encouragement throughout the journey of completing this final year project. Because of his guidance, I managed to finish my final year project successfully. Besides that, there are also a lot of important people involved in my final year project, for instance, my lecturers, friends, housemates and course mates. I am deeply grateful and appreciate for the guidance towards this project as play an important role for this project.

Furthermore, I sincerely thanks to the researchers that did their research papers and uploaded online. Although the topic of the research papers were different, but the theory and knowledge provided were fruitful.

The appreciation is also extended to respondents whom spent time in answering my questionnaire. Last but not least, appreciation goes to those who involved either directly or indirectly towards this project. Hopefully, this report will be a reference to others in the future.

ABSTRACT

In a market where advertisement is playing an importance role to influence the customers, it becomes crucial for all companies to do effective measures to motivate and inculcate desire to purchase due to effective advertisement. Nowadays, approximately 56% of Malaysians are willing to spend on their favourite celebrities; while 30% would buy the products they endorsed. These statistics show the effectiveness of celebrity appeal as a means of persuasive communication. Therefore, the purpose of this research is to study the implication of celebrity attributes on the effectiveness of advertising in FMCG business. The data will collect using questionnaires from 384 respondents in Melaka, Selangor and Kuala Lumpur area. The factors that may influence the e effectiveness of advertising in FMCG business include credibility, attractiveness, and power. In this research, credibility and attractiveness were significant in influencing the effectiveness of advertising in FMCG business. Furthermore, the credibility was the dominant factor towards the effectiveness of advertising on FMCG business. The result of this study contributes exceptional judgement to marketers and the organizations in Malaysia.

Keywords: Effectiveness of advertising, FMCG Business, celebrity attributes

ABSTRAK

Dalam pasaran di mana iklan memainkan peranan penting untuk mempengaruhi pelanggan, menjadi penting bagi semua syarikat untuk melakukan langkah-langkah berkesan untuk memotivasi dan menanam keinginan untuk membeli kerana iklan yang berkesan. Kini, lebih kurang 56% rakyat Malaysia sanggup membelanjakan selebriti kegemaran mereka; manakala 30% akan membeli produk yang mereka daftarkan. Statistik ini menunjukkan keberkesanan selebriti sebagai cara komunikasi yang persuasif. Oleh itu, tujuan penyelidikan ini adalah untuk mengkaji implikasi sifat-sifat selebriti mengenai keberkesanan pengiklanan dalam perniagaan FMCG. Data akan dikumpul menggunakan soal selidik dari 384 responden di kawasan Melaka, Selangor dan Kuala Lumpur. Faktor-faktor yang boleh mempengaruhi keberkesanan pengiklanan dalam perniagaan FMCG termasuk kredibiliti, daya tarikan, dan kuasa. Dalam kajian ini, kredibiliti dan daya tarikan adalah penting dalam mempengaruhi keberkesanan pengiklanan dalam perniagaan FMCG. Selain itu, kredibiliti adalah faktor dominan terhadap keberkesanan pengiklanan dalam perniagaan FMCG. Hasil kajian ini menyumbang penghakiman yang luar biasa kepada pemasar dan organisasi di Malaysia.

Kata Kunci: Keberkesanan pengiklanan, perniagaan FMCG, sifat-sifat selebriti

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LIST OF ABBREVIATIONS AND SYMBOL

ABBREVIATIONS	MEANING
ANOVA	Analysis of Variance
H0	Null Hypothesis
H1	Alternative Hypothesis
SPSS	Statistical Packages for the Social Science
FMCG	Fast-Moving Consumer Goods
DV	Effectiveness of Advertising
IV 1	Credibility
IV 2	Attractiveness
IV 3	Power
C	Credibility
A	Attractiveness
P	Power

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CHAPTER 1

INTRODUCTION

1.0 Introduction

This research paper is to study about the implication of celebrity attributes to the effectiveness of advertising in Fast-Moving Consumer Goods (FMCG) business. The content of this chapter including background of the study, problem statement, research questions, research objectives, scope of study, limitation of study, as well as the importance of his study.

1.1 Background of Study

Previous research suggests that in Western countries roughly one-in-four advertisements use celebrity endorsers (Spry et al., 2011) and in East Asian countries the celebrity endorsements are widely used in television commercials (Schaefer et al., 2010). This evidence shows that the celebrity endorsers are widely used by the marketer in deliver the promotional message to their target audience and open an opportunity for the researcher to study on the regarding issues.

Celebrity is the individual who has the common characteristics such as attractiveness, extraordinary lifestyle which is not easy to be observed and have public recognition by a major share of a certain group of people. According to

Schlecht, (2003) celebrity has a high degree of public and differing from the social norm although it can be said that within a corresponding social group (Schlecht, 2003).

Celebrity endorsement is a widespread marketing approach to making a product more compelling, noticeable and attractive to consumers according to Khong Kok Wei, Wu, You Li, (2013). Many marketers are using this strategy to help in building their brand image as well as brand awareness through celebrity endorsement.

On the other hand, Fast-Moving Consumer Goods (FMCG) also known as consumer packaged goods (CPG) refer to product that is purchased frequently and in fairly low price such as packaged foods, beverages, personal care product, over-the-counter drugs and so on. In this research paper, the researcher took one category of FMCG which is personal care products. This categories is frequently consume and easy to access by the consumer and often hiring celebrity as the product or service endorsers.

Nowadays, advertisement is playing an vital role to affect the customers, it becomes crucial for the company to do effective measures to motivate and instil purchase desire due to effective advertisement (Rani, 2017; Ohanian,1991). According to Khong Kok Wei, Wu, You Li, (2013) finding indicates that about 56% of Malaysians are would spend on their favourite celebrities, while 30% of them willing to buy the products endorsed by the celebrities (Anon, 2011). These statistics support that the effectiveness of celebrity appeal as a means of persuasive communication. Therefore, the goal of this research is to study the implication of celebrity attributes on the effectiveness of advertising in FMCG business.

1.2 Problem Statement

Companies expect that celebrities will be effective spokespersons for their products or brands as spending tremendous amounts of investment on celebrity endorsement advertisements according to Chung-kue Hsu, Daniella McDonald, (2002). Therefore, the celebrity attributes become a crucial point for the marketer to

effectively convey the promotional message to the target audience. In one side it is a good sign but on the other side it also appeal some problem such as mismatch of attribute of celebrity with the character of the product, celebrity over-exposure and overshadowing the product in the advertisement. Besides that, celebrities can have unfavourable effects on the products they endorse as they are blamed for negative events according to Louie and Obermiller (2002).

Furthermore, when a celebrity's personality does not fit with brand they endorsed may not only but also caused the celebrity losing his credibility and also raises questions on the brand endorsed by them. The celebrity attributes doesn't fit to the product will damage the brand image and result in bad sales. In fact, famous celebrity doesn't imply he/she is a suit with any brand and that consumers will feel a connection with the celebrity.

Furthermore, there may be a chance of a celebrity overshadowing the brand, sometimes celebrities may engage in behaviours that conflict with the image of the brand. For instance, David Beckham endorses numerous companies, which feature him particularly noticeable in print advertising. However, his image as the main point of advertising devalued many products. Prior research study reveals that 80% of the respondents only remembered the celebrity but could not remember the brand being endorsed according to Khatri, P. (2006).

Besides that, celebrities who endorsed too many brands at particular time will lose credibility with consumers who will doubt the real intension of the endorsement (Tripp et al., 1994), which is more for the money than real testimony for the product and in cases where celebrities endorse multiple brands it can lead to over-exposure and dilution of their effectiveness.

At the time of Tiger Woods' popularity, he endorsed over ten companies at once. The celebrity's credibility may suffer when a celebrity cooperate with so many companies. This cause that people felt that the celebrity will endorse anything to make money. Hence, the problem are how to avoid the mismatch of attribute of celebrity with the character of the product, celebrity over-exposure and overshadowing the product in the advertisement.

1.3 Research Question

There are four main research questions found from the problem statement as stated at below:

- I. What is the relationship of the celebrity's attributes such as credibility attributes to the effectiveness of advertising in the FMCG business?
- II. What is the relationship of the celebrity's attributes such as attractiveness to the effectiveness of advertising in the FMCG business?
- III. What is the relationship of the celebrity's attributes such as power to the effectiveness of advertising in the FMCG business?
- IV. What is the most influencing celebrity's attributes toward the effectiveness of advertising in the FMCG business?

1.4 Research Objective

The primary objective of this research is to identify the relationship between celebrity attributes and effectiveness of advertising in FMCG business. Besides that, this research also indicates the most influencing of the celebrity attributes toward the effective advertisement in the FMCG business. Therefore, there are four research objectives in this research as below:

1. To define the relationship of credibility of celebrity to the advertisement effectiveness in the FMCG business.
2. To identify the relationship of attractiveness of celebrity to the advertisement effectiveness in the FMCG business.
3. To determine the relationship of power of celebrity to the advertisement effectiveness in the FMCG business.
4. To analyse the most influencing celebrity's attribute toward the effectiveness of advertising in the FMCG business.

1.5 Scope of Study

The scope of this research paper indicates the list of celebrity attributes such as credibility, attractiveness as well as power which are very commonly used in the advertising to strengthen the brands. Furthermore, these research papers also studies the relationship of the celebrity attributes towards the effectiveness of advertising in the FMCG business for personal care product and reveal the most influencing of the celebrity attribute on the effectiveness of advertising in the particular industry.

The celebrities involved in this scope mainly come from the Malaysia and international well-known artist, singer, movie stars and sport stars such as Jackie Chan endorsed for the Bawang shampoo. While the celebrities from the politic or other serious profession are not included. Besides that, this research only focus only Fast-Moving Consumer Goods (FMCG) range of products or brands which will be covered of personal care products only.

1.6 Limitation of Study

The researcher also found several limitations when conducting the research. One the limitations are time constraint, the researcher only had 24 weeks to conduct this research which prevents the researcher to cover more respondent. Besides that, the respondent of this research doesn't include the celebrity and company point of view but only the consumer's point of view. In additional, the research only focus in FMCG business which is personal care products including hair, oral hygiene products, shaving needs, cosmetics and bath products, instead of other industry hence the theory can't be used to apply in other industry. Moreover, this research is primary focus on the local and international celebrity that has endorsed the personal care products. Therefore, the level of knowledge and understanding of each respondent are different therefore the result could be happened some biased responses based on their personal opinion.

1.7 Importance of Study

The importance of this research is to help the marketer to determine the implication of the celebrity attributes to the effectiveness of advertisement in the FMCG business. The marketer invest huge amount of money on celebrity endorsement every year to boost their product or service since the celebrity often bring the greatest impact such as generate the awareness and recognition. Therefore, this research help the marketer to identify the suitable celebrity attributes to best fit their product or service characteristics.

Besides that, this research also help in the academic field by providing a different prospective for the students in understanding the content of Integrated Marketing Communication. This research also provides a clue to the researcher for future study regarding to the celebrity attributes as well as the effectiveness advertising in different industries.

1.8 Summary

In chapter one, the researcher has express the background of the study which further explains the study based on theoretical aspect. Besides that, in this chapter also indicate the problem statement and from the problem statement form the research question and research objective. Last but not least, during the research, the researcher has faced the limitation of study within the research journey as well as determines the importance of study.

CHAPTER 2

LITERATURE REVIEW

2.0 Introduction

This research paper is to discuss about the literature review of the independent variables, dependent variable as well as the topic that related to the independent variables and the dependent variable.

2.1 FMCG Business and Personal Care Product

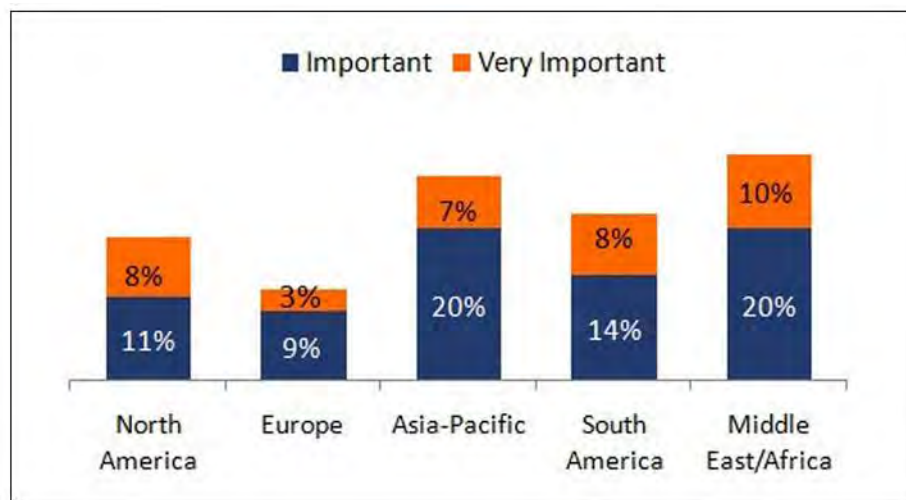
FMCG known as Fast-Moving Consumer Goods which refers to the daily products that consumer purchase and consume. Besides that, in FMCG markets where buyers use only minimum quantity purchasing effort as the products are comparatively inexpensive, regularly purchased and quickly consumed items (Dibb et al., 2006, p. 298 through Leahy, 2011).

Furthermore, FMCGs have a short shelf life because the product worsens quickly or high consumer demand as mentioned by Gupta Ranu, Roy Rishu (2012). The total profit made on FMCG products is quite small since they sell in large quantities but the cumulative profit on such products can be large.

The FMCG market in Malaysia has three major segments comprising of Household care, Personal care and Food & Beverages. According to pressreader.com, the Fast-Moving Consumer Goods industry will continue contribute in Malaysia's economy, despite a drop in consumer spending.

Moreover, this sector has widely adopting celebrity endorsers in the advertisement such as personal care products as a marketing communications tool. The personal care products are consist of hair care products, oral hygiene products, cosmetics and bath products, other personal care products for males and females. Therefore, company use celebrity to endorse personal care products to make the advertisement more appealing and prevent the media clutter according to Muruganantham, G., & Kaliyamoorthy, S. (2009).

Figure 2.1: The bar chart has shown the importance of celebrity endorsements in personal care purchase.



A study by BeautyPackaging.com (2015) discovers that consumers want to feel connected to celebrities and create this link by purchasing personal care products endorsed by them especially in Asia Pacific and the Middle East.

According to a global survey conducted by Canadean, the consumers in Asia-Pacific (27%) and the Middle East and Africa (30%) find it both important and very important that a personal care product is endorsed by a celebrity. This result came

from a strong attention in celebrity culture and the latest fashions and styles in these two counties.

2.2 Marketing Communication

As stated by Keller (2001), the product/service offerings and/or other company issues can be express through which the company can establish a channel of communication with the customers and other stakeholders through marketing communication.

Besides that, organizations have been forced to swift from a mass communications model to deal with an increasing option of marketing communication which shows multiplication of methods to approach consumers by using traditional and non-traditional media (Kotler et al., 2005).

Even though marketing communications has been used for several years as an general term to refer to the various communication functions used by marketing, strategic integration of these functional areas is what makes IMC a new way to approach consumers and other stakeholders (Duncan and Everett, 1993).

2.3 Integrated marketing communication (IMC)

Integrated marketing communication (IMC) is refer to communication tools selected on the bases of the organization's resources, and their favourability to the intended recipient (Duncan and Mulhern 2004; Kliatchko 2005). Besides that, Duncan and Mulhern also defined IMC as the strategic coordination of several communication tools in a method constant with the company's brand positioning as to build strong brands and stakeholder relationships.

In other word, IMC is a strategic business process used to develop, implement, and evaluate coordinated, quantifiable, credible brand communications programs over time with customer, prospects from customer, employees, associates,