

Understanding the impact of celebrity endorsements on ROI(Return on Investment) and Sales on brands providing Fast Moving Consumer Goods (FMCG)

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ABSTRACT-

Since many companies are following the trend of using celebrity faces for advertising their product / brand for ingrowth profits and sales. We have made a certain comparative analysis on the products / brands that do not hire any celebrity for promoting their product, on the contrary the products / brands that hire suitable celebrity faces for promoting their product in the market. We have taken a consumer perspective for writing this research paper, where we will be analyzing what psychological mindset a consumer has while purchasing a particular product or service and how influential a commercial ad makes a consumer to buy a particular product or utilize a service. It is very much evident that the brands which hire favorable celebrity faces often create an impact on the consumer in terms of better profits due to higher sales. As, the current period is all about endorsing your product with the celebrity face that is being liked by the population and who has an influence to control the choices of the customers. Furthermore, we will be doing an in-depth analysis, for understanding the marketing perspective used by big brands and companies to launch their product in the market in such a way that it creates an influential impact on the consumer.

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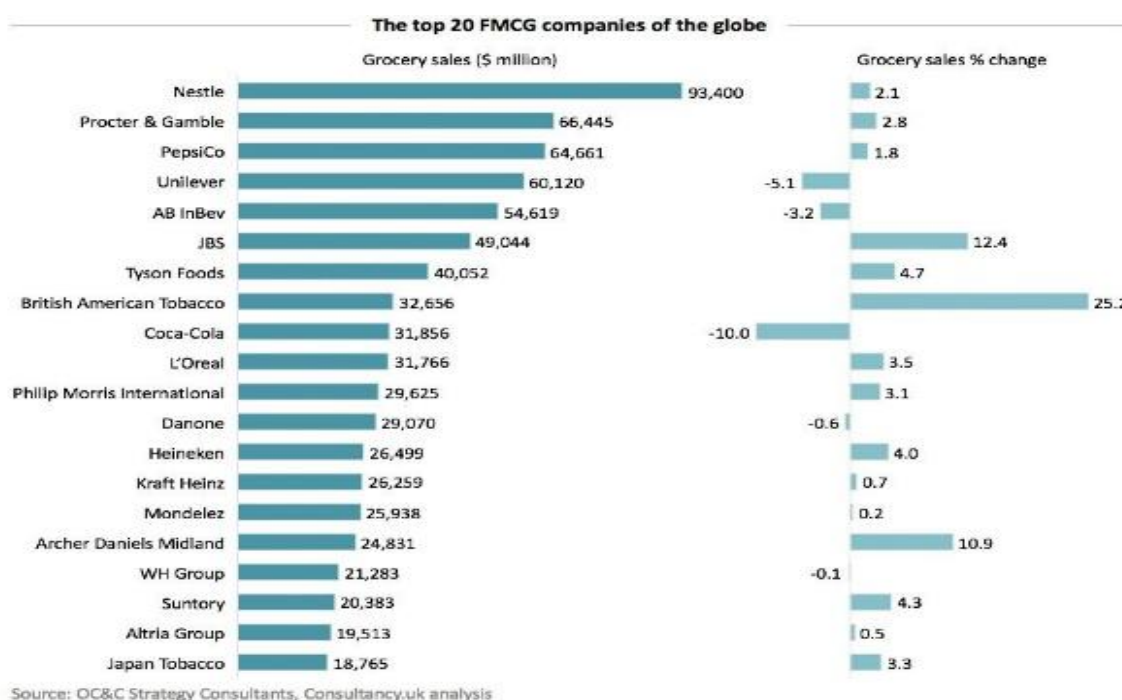
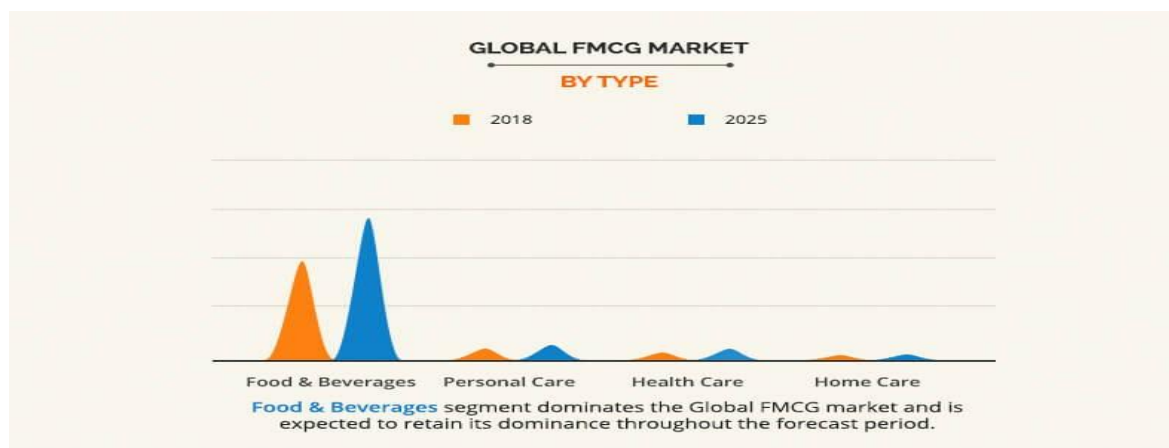
I. INTRODUCTION

Today's scenario is all about digitalized marketing and the brands that take forward celebrity faces not only target the children but the adults as well as their focus is directed towards the population mix. We will be looking forward for FMCG products for conducting a research and we have particularly targeted consumer behavior and different marketing skills being adopted by the companies to promote their product in the digitalized market. In the FMCG sector we have particularly taken chocolate as a product, we shall be differentiating different brands in terms of the impact created by influential celebrity advertisements and the authenticity of the product. Though, product demands different strategies with the changing trends that are being adopted by the company in order to safeguard their product from bearing the losses and to make the product last forever in the eyes and minds of the customers. In the highly competitive market, where upcoming chocolate brands are emerging and controlling the market segment, it has become more crucial to understand the marketing policies being adopted by different brands by hiring the celebrities for endorsing their product.

Industrial overview (FMCG) at global level –

FMCG industry, the fast-moving consumer goods industry is the key contributor towards any economy, it is the fourth largest sector in the Indian economy providing employment to around 3 million people which accounts for 5% of the total employment distribution in the country. This industry has the highest coverage because of the presence of big companies (organized and unorganized) and a number of brands procuring the market segment daily. This industry comprises of different segments which are utilized by households on the regular basis. Though, the industry is going to run on forever basis as there are no end toward the regular requirements of an end customer. The industry is being handled gracefully during the last fifty years making a worldwide growth towards different products and segments. This industry provides goods and services that are to be utilized by each and every segment of the society whether rich or poor. This industry has been growing in positive numbers in past few years as the daily needs of a regular customer are not going to end in fact with an increasing population the needs are expected to rise in the coming future. If we take into consideration the global perspective forecast, it says that in 2025 the global FMCG market size was be valued at \$ 10020.0 billion in 2017 and is expected to reach \$ 153601.8 billion by 2025 with the expected CAGR(Compound Annual Growth Rate) growth of 5.4 %. The high competition amongst the market players and the retail market are expected to make the global FMCG market grow in a positive state. The FMCG industry has been following trend of possessing the healthy lifestyle which is positively affecting the FMCG market on a global circle. Though the FMCG industry is not going to be in losses as the products and services offered by the companies

are of daily usage and the changing patterns of the environment might affect the demand in a positive number and not in losses. The picture here denotes the domination of food and beverage products over other FMCG products in the global segment.

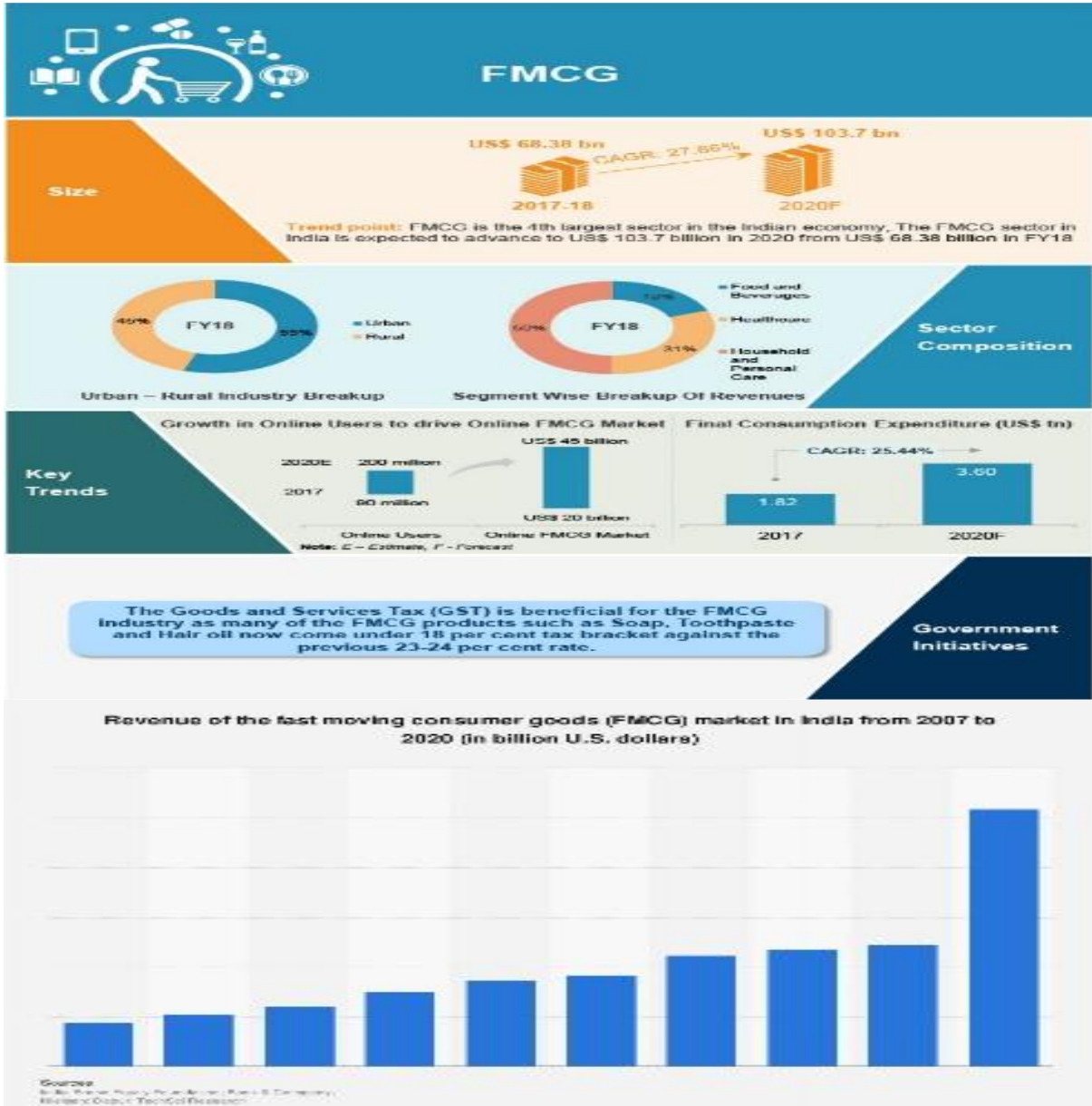


Industrial overview at Indian segment (FMCG)-

particularly increased the demand of certain products in the market, raising concern for the increasing If we talk about growth of FMCG industry in the Indian market, it does not make much difference in terms of growth perspective taken on the global front. In Indian market FMCG industry ranks fourth in the names of largest industries in the Indian segment. If we talk about the market size, the retail market of India is expected to reach US dollar 1.1 trillion by 2022, with the growth of rural and urban consumption in the products. The rural consumption in the FMCG industry contributes 36% of the overall FMCG spending's and the urban segment contributes 13% towards the FMCG spending, though the analysis says that the rural segment has more undertakings toward the FMCG industry than the urban segment. This industry is known to be the most prominent industry as the government has a back-end towards this industry in terms of promotional and investment activities. Recently the government has allowed 100% FDI in particular segments of FMCG industry including food processing and retail Industry which would further help the industry to grow and prosper in a positive number. If we talk about the government initiative towards promoting this industry the government has been initiating new policies and plans for the industry to grow such as implementation of GST of 18% under certain products and services consumption. The forecasts say that the rural consumption in the FMCG market is expected to rise in 2025 by US dollar 23.6 billion. On the contrary the unorganized market of FMCG sector is expected to grow on a faster pace as compared to the organized the sector of FMCG industry.

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As the organized sector is more concerned with the brand consciousness which limits their growth in the FMCG industry. Another prominent factor which is increasing the demand for FMCG industry is the increased demand of food products in the market, the major reason behind is the rising population. Another factor behind the promotional activities of FMCG industry is the usage of digitalized portal for promoting the products at a more convenient pricing strategy. The forecast says that nearly 45% of the products consumed in India were made/manufactured online, and the increased usage of online portals has growth of the FMCG industry. The FMCG industry in India is expected to grow at a CAGR of 27.9% which is much more than the number of CAGR growth reported in the global front.



Selection of product (Cadbury chocolate)-

Since, we have taken a chocolate brand keeping in mind the consumer behavior as it is the most liked and the fastest selling product in the market worldwide, though before talking about the endorsement policies adopted by Cadbury brand and the challenges, they faced in order to procure the product after the 2002 scam. I would first start by introducing the product and its categorization. Cadbury known as Cadbury's is a British multinational company started in 1824 by Kraft Foods, and now known as the second largest confectionery brand in the world after Mars. The product gets sold in more than 50 countries. It has different variants and chocolates in different flavors which are being liked and appreciated not only by the younger children but the adults as well. The next chocolate brand I have selected for the analysis Ferrero Roche, a chocolate and hazelnut confectionery brand produced by Italian chocolate Ferrero. The brand was introduced in 1982 in Europe and was labelled by the name of Michael Ferrero who was the founder of this brand. The Ferrero Rocher chocolate brand is being sold in more than 40 countries and out of the 40 countries, 28 countries are from Europe that is home country where the brand actually started. The Ferrero Rocher brand has no such variants, a single chocolate is being produced under this brand in a same flavor. This chocolate comes under the premium price range, after so many limitations this product is being liked and preferred by the people in the Indian market despite the same flavor and same premium packaging range. Making a comparison of both the chocolates the major difference between the two is Celebrity endorsement. Cadbury India has hired Amitabh Bacchan to endorse their product after the 2002 worn issue, the major reason behind hiring a brand ambassador for the same is to recreate the sales and to make people believe in purchasing chocolates as a healthy option for them. On the contrary Ferrero Rocher brand did not opt for any brand ambassador for promoting their product in the market as the product is already incurring good profits in terms of sales and despite the limitations, the product is encouraging more and more customer base. But if we take out in-depth analysis of both the brands there can be a slight difference in terms of salesforce effect, when a company hires celebrities for promoting their product and the brands with do not prefer hiring celebrities for promoting their product.



Role of media on consumer behavior-

Since ages, advertisement and role plays play an efficient role in promoting a particular brand or a service in the FMCG industry, as it influences the psychological mindset of a consumer towards buying a particular product or service and furthermore creating a need and desire for a particular product. Further mentioned below the impact of advertising on the consumer behavior and how it affects the sales pattern for a particular product or service.

- Influencing the minds of consumer- Sometimes, the media advertising attracts the attention of a consumer towards the product that is not often used by that person, but a famous celebrity face might create a

need for purchasing that product in a particular timeframe. As the grace of Bollywood celebrity has been jested all around in the Indian market which requires the customer to believe in the product that is being advertised by their famous celebrity faces and it creates the imbalance in the minds of the consumer too that says that product is being utilized by their famous celebrity faces. These influential techniques are being used by marketing agents to promote a brand in the market in order to improve their sales and profit numbers and for that they only choose particular celebrities which have a good reputation in the market and are renown faces working in the industry for a longer period of time as it creates a more stagnant impact in the mindset of the consumers to purchase the product.

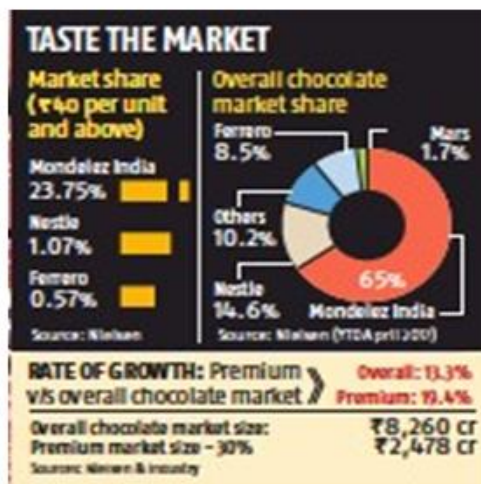
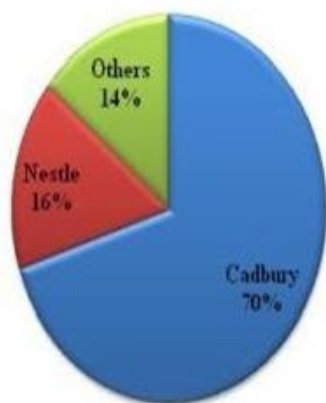
- Informational advertising- There happens many a times that the advertisements come up with something new, creative, innovative and informational that impacts the consumer on the emotional front. For example- Cadbury India came up with marketing campaign on the family growth with the famous instinct of endorsing Maa, which gives the consumer an emotional connection with the product and they purchased the product as it builds an emotional relationship with the consumer via a social media.
- Targeting the mixed population- Since the chocolates are being preferred and consumed by the younger children as they are fond of having sweet tooth, but the marketing campaigns Cadbury is hiring is to particularly target the mixed population of the Indian segment as not only children would like and purchase my product but the younger adults would also prefer buying my product from the store when they see any famous celebrity face attached to it. Taking an example of Amitabh Bachchan, Amitabh Bacchan re-releasing in a campaign ‘Kuchh Meetha ho jaaye’, with this particular slogan has affected the customer base so extensively that every house has a Cadbury chocolate at the place and they prefer eating it in night after consuming their dinner.
- Following the upcoming trend- With the passage of time the trends also changed and different variants come in different varieties that excites the consumer for the same. Though, marketing campaigns gives an insight to the consumer regarding the product on going in the market.

Comparison(in terms of sales)-

We will be particularly comparing the sales of Cadbury chocolates before Amitabh Bachchan came into picture and the sales after Amitabh Bachchan and changes felt in the brand and the points of difference will be further mentioned as follows

Points of difference	Cadbury chocolate(before endorsement)	Cadbury chocolate(after endorsement)
Sales perspective	News headline came in 2019 that Cadbury chocolates are been infected by HIV, which affected the sales criteria of the chocolates in negative numbers. Cadbury in total accounts for 70% of the market share in the FMCG industry but after the downfall, the market share reduced to 50%, which was further being handled by the market officials and the brand owners effectively and creatively.	In 2019 Kartik Aryan was being appointed as a brand ambassador for promoting the chocolate brand Cadbury dairy milk as the new face of Cadbury chocolate as the widespread negative impact of on chocolates by the infected HIV protocol was somehow been handled by the entry of Kartik Aryan as the sales went in a positive number after being advertised by Kartik Aryan. The sales made by Cadbury after the advertisement made by Kartik Aryan was worth dollar 168 2.1 million making a gain of twice avid competitor PepsiCo.
Importance of advertising	The 2003 case where worms were being found in the Cadbury chocolate as being responded by the consumers, later on Cadbury brand issued a statement that this has not been possible at their manufacturing stage and put it on the retailers but it has negatively impacted the sales percentage of the Cadbury chocolate as the Cadbury sales went down by 15% after this news in curing the loss of 150 million dollars.	In 2004 the made a comeback by hiring Amitabh Bachchan as the brand ambassador and Us In 2004 they made a comeback by hiring Amitabh Bachchan as the brand ambassador and with the arrival of Amitabh Bachchan the sales went prominently high with the hike 40% in growth. Cadbury chocolate enjoyed the leverage of hiring Amitabh Bacchan as a celebrity face as the 2003 case left the Cadbury chocolate brand in two losses in great numbers and the smart decisions taken by the brand has helped the company not to include the previous losses but to gain the profitability in numbers at a huge extent.
Digital platform	The digitalized platform of Cadbury chocolate has made it more efficient and creative in the marketing campaigns to promote the brand in a more prospective manner, though it affects the sale but in a stagnant number as the ‘Thank you’ slogan initiative taken by Cadbury chocolate brand helped to grow the numbers in terms of sales but in a stagnant range. .	The arrival of Amitabh Bachchan and Kartik Aryan health brand grow in terms of positive numbers and sales perspective. Despite the competitive rate Cadbury chocolate brand has been the best-selling chocolate brand in the competitive market after mass, and the forecast analyzed that the major reason behind the sales increment is the brand ambassadors and the celebrity faces that promotes the chocolate brand that is being preferred by the age group of different people with perspective to their liking for different celebrities.

Indian Chocolate Market composition



Brief introduction to sales of Ferrero Rocher-

Since Ferrero Rocher is a premium brand that does not follow any promotional policy to promote their brand in the market as there are already overwhelmed in terms of engaging more customer base but if we take a comparison of Cadbury India and Ferrero Rocher , more consumers target Cadbury India over purchasing Ferrero Rocher, as Ferrero Rocher as a chocolate brand is a occasional chocolate which is being preferred by the population when they are celebrating any occasional activity as it comes under the premium range of products where as Cadbury chocolate has been utilized and consumed for any occasion as it comes under the budget and tastes authentic. Though, here we are making a comparison of Ferrero Rocher brand and Cadbury sales in terms of certain years where the celebrity faces are being hired by Cadbury and not Ferrero Rocher and the impact initiated on both the products.

- Sales in 2019- The Cadbury chocolate brand hired Kartik Aryan as a brand ambassador and their sales hiked by 9%(6746 cr) in the Indian market. On the contrary the Ferrero Rocher sales went down by 4% in Indian market but the sales were found progressing in the global market segment.
- Sales in 2014- The Ferrero Rocher brand sales went down by 10% in the year 2014, as they lack in consumer advertising and brand positioning, On the contrary the sales in Cadbury chocolate brand went up by 14% as they hired Amitabh Bacchan as a brand ambassador for promoting their product in the Indian market segment. Amitabh Bachchan being the face of Bollywood is being appreciated by maximum number of people in the population as he is one of the renowned actors and any product endorsed by such a renowned actor is being upgraded by the consumers and sometimes the consumers purchase the product as a matter of respect for a particular celebrity face.
- Heavy pricing policy- Ferrero Rocher brand is a premium brand and the chocolates that come under Ferrero Rocher brand are quite expensive and the forecast says that due to lack of advertising and awareness policies and showing less activeness towards the society, the brand is slowly and steadily diminishing its market value as they are less preferred by the people in the rural segment and is more preferred by the people in the urban segment and the rural population consumption is 34% as compared to the urban consumption population 14%, this was a difference of consumption of the Ferrero Rocher brand as compared to the Cadbury chocolate brand which is less expensive and the company is regularly posing new brand ambassadors for their consumers to attract them with the quality and the quantity of the product and certain initiatives are being taken by the chocolate brand for the society in which some amount of their profits are being donated to the rural segment.
- Sales in 2012- News came in 2012 regarding Ferrero Rocher brand hires child laborers for the production of chocolates in different countries of the world, this news has distorted the brand image of the company and they did not urge to clarify or make a statement regarding this. This particularly tamed the sales pattern of the company and made the sales criteria more devastating, On the contrary in 2016 when Cadbury chocolate brand was accumulated of the infectious worm found out in the chocolates as claimed by the consumers the brand immediately came up with the statement clarifying the doubts of the consumers and coming up with the platform where they can answer the queries of the consumers and for the make them believe in the product quality and commitment towards the same. The points of difference are mentioned here reflects the two brands in terms of sales and different initiatives taken in the market and how brand ambassador play A crucial role in development of company. the picture depicted below indicates the sale percentage of Cadbury chocolate brand and Ferrero Rocher brand and implicates the % decline of Ferrero Rocher brand with the coming years and the height in the Cadbury chocolate brand in comparison.

An Assessment-

The points of difference mentioned above indicates the growth of Cadbury chocolate brand as compared to the Ferrero Rocher brand, with the hiring of brand ambassador the comparison made me realize the importance of marketing campaigns done with favorable celebrity faces that creates an influential impact in the minds of the consumer for purchasing your product or creating a need in the market. Cadbury chocolate brand has beautifully enacted the need for the chocolates in the minds of the consumers of mixed population that is not only targeting the younger population but targeting the younger adults as well to consume their chocolates and be there permanent client. With the upcoming challenges faced by the chocolate company they innovatively handled the challenges faced by the company and came up with the resolving statement in order to procure the sale statement and the profitability criteria. Marketing campaigns play a crucial role in making your customers believe in your product and manipulating the mind-set to buy the product for the consumption purpose. On the contrary Ferrero Rocher brand has established an equally reputed image in the market without having the celebrity face behind the promotional strategy but celebrity endorsements help in in giving your product a suitable direction where you can endorse it with full empathy and gain more popularity in a limited set of time.

RANK	Brand	Sales 2017	Sales 2018	Yr-on-yr
1	CELEBRATIONS	£6.9m	£10.5m	52.5%
2	FERRERO ROCHER	£8.7m	£9.4m	7.5%
3	CADBURY MILK TRAY	£7.6m	£6.2m	-18.5%
4	LINDT LINDOR	£6.2m	£6m	-3.1%
5	DAIRY BOX	£4m	£5.9m	48.5%
6	CADBURY HEROES	£6m	£5.7m	-5.1%
7	TERRY'S CHOCOLATE ORANGE	£6m	£5.4m	-10.5%
8	CADBURY ROSES	£5.3m	£4.1m	-21.9%
9	QUALITY STREET	£4.3m	£4.1m	-3.9%
10	AFTER EIGHT	£3.5m	£3.6m	3.3%

Source: Nielsen | Data to April 2018

II. CONCLUSION

The in-depth analysis made between the brands the Cadbury chocolate brand and the Ferrero Rocher brand made me analyze the importance of advertising with the help of suitable celebrity faces as the favorable celebrities give the product a suitable design and direction where consumers attract more easily and conveniently by looking at the celebrity face. Cadbury India has taken a strong move from getting themselves out from the incurred losses in 2016, due to the worm issue, they hired Amitabh Bachchan as a brand ambassador and within a few months the sales went up by 20% the sudden hike was only been seen with the upcoming face of Amitabh Bachchan as 80% of the population believe that the celebrities that and all the products are 100% genuine and effective and do not harm their bodies. With this believe the consumers make an emotional attachment with the consumer and the product where they can easily procure the product from the market. On the country the Ferrero Rocher brand has been seen as an effective brand in terms of chocolates and premium range product which is being consumed by the urban segment population. Though, the product does not follow any promotional strategies to promote their product in the market and do not prefer using any back-end strategies via hiring celebrity endorsements. But the change has been seen in the past few years where Ferrero Roche brand has been seen declining in terms of sales and profitability patterns as new companies are emerging in the market making it more and more difficult for the existing companies to survive the market and though the companies that do not follow a protocol of endorsing their product with suitable brand ambassadors fail to execute their profitability strategy. For existing in the competitive market and for the survival strategy, it is important to undergo the changing trends in the market and look for suitable promotional tactics that can be followed in order to present your product in the market in a more effective and sustainable manner. If we talk in simple sense, advertising a product or initiating a marketing campaign is not a big thing, but different way of promoting your product in the market that has a maximum reach towards its customer in a more convenient and sustainable manner, whenever a customer looks for procuring a product, they look for their advertising from which they get information about the same. Though, advertising play the important role in making the customer

aware about the product on going in the market and the benefits accomplished for the same. Cadbury chocolate brand has often come up with creative and innovative ideas for promoting the product with a suitable celebrity spaces using a slogan Kucch meetha Ho Jaye, which has for the replace the need of sweets instead of chocolates. Though, it is a simple strategy to create the need for your product and make it effective and manipulate the minds of your consumer by having an emotional relationship with your customer, through an initiative or an emotional message or usage of digitalized platform for promoting your product through, a celebrity face which is known to be liked and preferred by the population. As per my perspective Cadbury chocolate brand has been the most successful brand as compared to the Ferrero Rocher brand as they follow a brand endorsement strategy which is not been procured by Ferrero Rocher brand and which makes it different and innovative from other brands.

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