

CELEBRITY ENDORSEMENT

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ABSTRACT

Celebrity endorsement has been established as one of the most popular tools of advertising in recent time. It has become a trend and perceived as a winning formula for product marketing and brand building. It is easy to choose a celebrity but it is tough to establish a strong association between the product and the endorser. While the magnitude of the impact of celebrity endorsement remains under the purview of gray spectacles, this paper is an effort to analyze the impact of celebrity endorsements on brands. Objective of this article is to examine the relationship between celebrity endorsements and brands, and the impact of celebrity endorsement on consumer's buying behavior as well as how consumer makes brand preferences. This paper proposes a 20 point model which can be used as blue-print criteria and can be used by brand managers for selecting celebrities and capitalizing the celebrity resource through 360 degree brand communication which, according to this paper, is the foundation of the impact of celebrity endorsement. Celebrity endorsement is always a two-edged sword and it has a number of positives - if properly matched it can do wonders for the company, and if not it may produce a bad image of the company and its brand.

INTRODUCTION

Celebrity Endorsement is a special type of advertisement which includes a famous person from film fraternity, athletes, and sports, modelling world etc. It helps in promoting the product brand and also increasing the sales of the product. Celebrity endorsement not only has developed in recent years, it is being used from the past for promoting the product. This type of marketing strategy is used to promote the product and has proved in itself a boon in advertising world. It is mainly used to influence the consumer who comes across these advertisements as it is accessed in the consumers mind for many days even after the advertisement. Celebrity endorsement has not always helped in promoting the product but it has been developed considerably over the years. It is very expensive to endorse a celebrity for a product but in the long run it has helped in increasing the sales of the product. Celebrities

are also interested in endorsing themselves in the product as they get compensation for it and their image is been developed considerably. Businesses have long sought to distract the attention of the potentials customers that live in a world of ever increasing commercial bombardment. Everyday consumers are exposed to thousands of voices and images in magazines, news paper, and on billboards, websites, radio and television .Every brand attempts to steal a fraction of an unsuspecting person's time to inform him or her of the amazing and different attributes of the product at hand. Because of the constant media saturation that most people experience daily, they eventually become numb to the standard marketing techniques. The challenge of the marketer is to find a hook the subject's attention. Also from the marketing communications perspective, It is vital that firms design strategies that help to underpin competitive differential advantage for the firm's product or services. The term celebrity refers to an individual who is known to the public (actor figure, entertainer, etc.) for his or her achievements the areas other than that of the product class endorsed (Friedman and Friedman, 1979).

Celebrities appear in public in different ways:

First, they appear in public when fulfilling their profession, e.g., Viswanathan Anand, who plays chess in front of the audience. Furthermore, celebrities appear in public by attending special celebrity events, e.g., award ceremonies, Inauguration or world premieres of movies. In addition, they present in news, fashion, magazines, and tabloids', which provide second information on events and the private life of celebrities through mass media channel (e.g., Smiriti Irani being regulated featured in various publications).

Last but not the least, celebrities act as spokes-people in advertising to promote products and services, which is referred to celebrity endorsement.

Celebrity is a person who has excelled in his / her field of action or activity. In our day to day activity, we perform many acts, may at home, at work place, on field in sports, in social life. But these acts may be daily routine or just "acts" per say giving no extra ordinary results, not noticed by anybody surrounding, and not taken into notice by Media.

E.g. A bandit queen of Chambal valley was very famous, but was terror before her surrender to police. But she never becomes celebrity. But an actress Ms Seema Biswas who acted in film on "Bandit Queen" on life of that bandit, became very famous and a Celebrity. They pull

crowds with their presence only. If it is understood that BIG B is coming for shooting a film, to a particular location on a particular day, then there is big commotion in that area. Police worry about law and order situation, even young generation throng there in big nose to have glimpses of BIG B and even wait since early morning leaving aside their. Celebrities are people who enjoy public recognition by a large share of a certain group of people. Where as attributes like attractiveness, extraordinary lifestyle or special skills are just examples and specific common characteristics cannot be observed, it can be said that within a corresponding social group, celebrities generally differ from the social norm and enjoy a high degree of public awareness.



A product endorsement is a form of testimonial from someone which indicates that they like or approve of a product. Commonly, product endorsements are solicited from people who are socially prominent, allowing companies to advertise their products with statements like as used by such-and-such an actress, or the official product of company/event X. It's hard to miss a product endorsement on product packaging and in advertisements; most companies keep their endorsements front and centred so that they are always in the public eye. The concept of the product endorsement is quite ancient. In England, for example, several companies have been advertising themselves as by appointment to the Queen for hundreds of years, indicating that they enjoy the patronage of the British royal family. Consumers are often seduced by the idea of purchasing a product which is endorsed by someone wealthy or famous, as though by buying the product, the consumer also becomes affiliated with the person who endorses it. Modern product endorsements can come with contracts worth substantial amounts of money. For example, Many sports stars agree to participate in product

endorsement campaigns with the understanding that the company will compensate them for the trouble; some stars donate the proceeds to charities they support, using the product endorsement as a public relations campaign. In exchange for an endorsement contract, someone may agree to use the product publicly whenever possible, and they may be restricted from using products made by a competitor. A product endorsement doesn't necessarily mean that a product is good. It just means that the company has managed to work its public relations connections to get a big name associated with it. While most people and organizations will try out a product before they agree to endorse it, this isn't always the case, and you shouldn't rely on endorsements to speak to the quality of the product, especially if you are concerned about issues like illegal labour or adulterated products. Some endorsements take the form of written testimonials, where people write about how the product changed their lives. Historically, such testimonials were often printed on the product packaging directly; modern testimonials are more commonly included in advertising campaigns, with excerpts only on the packaging. Many companies also use photographs of famous people on their products to create a visual connection between the endorser and the product, which is why sports stars appear on your cereal box. The modern mass media has increased the exposure and power of celebrity. Often, celebrity carries with it immense social capitals that is highly sought after by some individuals. High paying jobs and other social perks unavailable to most people are readily available to celebrities, even for work not connected to the talents or accomplishment that made them famous. For example - A retired athlete might receive high speaking fees or compensation for public appearances, despite his talent having been sports, not oratory, while some envy celebrities, and many aspire to celebrity, some who have attained it are ambivalent about their status. Often, celebrities cannot escape the public eye, and risk being followed by fans.

MECHANISM AND THEORIES OF CELEBRITY ENDORSEMENT

Celebrity endorsements give a brand a touch of glamour and the hope that a famous face will provide added appeal and name recognition in a crowded market. In the battle for the mind, you get the customer excited by showing him a known face, and an effective demand is created. In short it helps increase the recall value of the brand. A piece of research states that the target audience age group of 15-30 gets influenced first by cricketers, then Bollywood stars and only then music, festivals and food.

The following are the theories of understanding celebrity endorsement:-

Source Credibility Theory

According to Source Credibility Theory, acceptance of the message depends on 'Expertness' and 'Trustworthiness' of the source. Expertness is defined as the perceived ability of the source to make valid assertions. Trustworthiness is defined as the perceived willingness of the source to make valid assertions. Audience acceptance increases with the expertness of the source and the ability of the audience to evaluate the product.

Source Attractiveness Theory

According to Source Attractiveness Theory, which is based on social psychological research, the acceptance of the message depends on familiarity, likeability and similarity. Familiarity is the audience's knowledge of the source through exposure; likeability is the affection for the source's physical appearance and behavior while similarity is the resemblance between source and receiver. This theory explains the message acceptance in two ways: Identification and Conditioning. Identification is when the receiver or the target audience of the communication begins to identify with the source's attractiveness, and hence tends to accept his opinions, beliefs, habits, attitudes etc. On identification, a quote from Bijou Kurien, COO, Titan, "We decided on Aamir because we wanted someone who is a bit iconic, who is style conscious himself, and somebody who cuts across both sex and age group, between urban and rural India. A celebrity who is mouldable and who is not over-exposed". Conditioning is when the attractiveness of the source is supposed to pass on to the brand after regular association of the source with the brand.

Meaning Transfer Theory

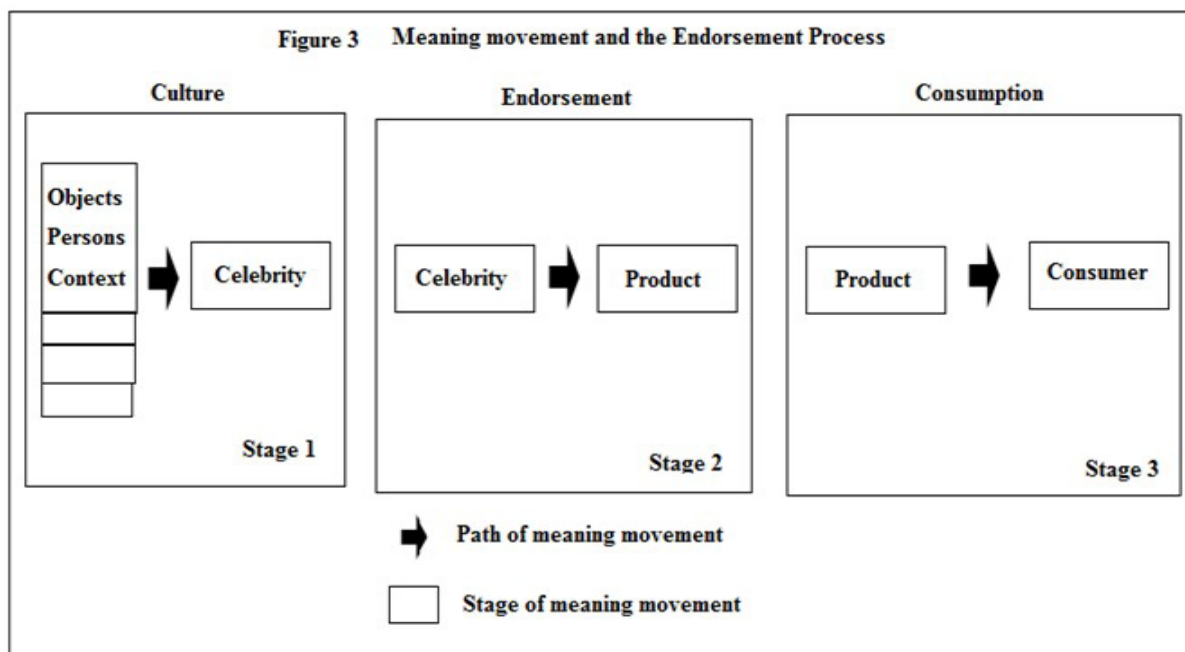
Grant McCracken⁶ has criticized the previous two theories and proposed the Meaning Transfer Theory. The theory explains that a celebrity encodes a unique set of meanings which if well used can be transferred to the endorsed product. Such a transfer takes place in three stages - encoding meanings, meaning transfer, meaning capture.

I. Encoding Meanings: Each celebrity has a unique set of meanings, which can be listed by age, gender, race, wealth, personality or lifestyle. In this way, the

celebrities encode a set of meanings in their image. For example PreityZinta can be seen as a lively, charming, bubbly, witty and enthusiastic.

II. Meaning Transfer: This stage transfers those meanings to the product. When skillfully portrayed, celebrities can communicate this image more powerfully than lay endorsers.

III. Meaning Capture: This assumes that consumers purchase products not merely for their functional value but also for their cultural and symbolic value. The theory says that consumers buy the endorsed product with the intention of capturing some of the desirable meanings with which celebrities have passed on to the product. This is more eminent in lifestyle products like clothes, perfumes, cellphones etc.



IMPACT OF CELEBRITY ENDORSEMENT ON A BRAND

The motive behind total branding may be decocted as an attempt to amalgamate diverse activities to win customer preference. Apropos to this context, the topic “**Impact of celebrity endorsement on overall brand**”, is a significant one. The crescendo of celebrities endorsing brands has been steadily increasing over the past years. Marketers overtly acknowledge the power of celebrities in influencing consumer-purchasing decisions. It is a ubiquitously

accepted fact that celebrity endorsement can bestow special attributes upon a product that it may have lacked otherwise. But everything is not hunky-dory; celebrities are after all mere mortals made of flesh and blood like us. If a celebrity can aggrandize the merits of a brand, he or she can also exacerbate the image of a brand.

If I may take the liberty of rephrasing **Aristotle's quote** on anger, *"Any brand can get a celebrity. That is easy. But getting a celebrity consistent with the right brand, to the right degree, at the right time, for the right purpose and in the right way... that is not easy."*

Celebrity endorsements are impelled by virtue of the following motives:

- Instant Brand Awareness and Recall.
- Celebrity values define, and refresh the brand image.
- Celebrities add new dimensions to the brand image.
- Instant credibility or aspiration PR coverage.
- Lack of ideas.
- Convincing clients.

The scope of a celebrity on the incumbent brand:

Simply stating, a brand is a differentiated product and helps in identifying your product and making it stand out due to its name, design, style, symbol, color combination, or usually a mix of all these.

Before we can scrutinize the effects of celebrity endorsement on the overall brand, we have to ferret the implicit nuances that act as sources of strong brand images or values:

- **Experience of use:** This encapsulates familiarity and proven reliability.
- **User associations:** Brands acquire images from the type of people who are seen using them. Images of prestige or success are imbibed when brands are associated with glamorous personalities.
- **Belief in efficiency:** Ranking from consumer associations, newspaper editorials etc.
- **Brand appearance:** Design of brand offers clues to quality and affects preferences.
- **Manufacturer's name & reputation:** A prominent brand name (Sony, Kellogg's, Bajaj, Tata) transfers positive associations

The celebrity's role is the most explicit and profound *in incarnating user associations* among the above-mentioned points. To comprehend this, let us analyze the multiplier effect formula for a successful brand:

$S=P* D*AV$ --the multiplier effect

Where *S* is a successful brand,

P is an effective product.

D is Distinctive Identity

and *AV* is Added values.

The realm of the celebrity's impact is confined to bestow a distinctive identity and provide AV to the brand; the celebrity does not have the power to improve or debilitate the efficiency and features of the core product. Thus, we are gradually approaching an evident proposition claiming,

"The health of a brand can definitely be improved up to some extent by celebrity endorsement. But one has to remember that endorsing a celebrity is a means to an end and not an end in itself."

An appropriately used celebrity can prove to be a massively powerful tool that magnifies the effects of a campaign. But the aura of cautiousness should always be there. The fact to be emphasized is that celebrities alone do not guarantee success, as consumers nowadays understand advertising. They know what advertising is and how it works. People realize that celebrities are being paid a lot of money for endorsements and this knowledge makes them cynical about celebrity endorsements.

Compatibility of the celebrity's persona with the overall brand image

A celebrity is used to impart credibility and inspirational values to a brand, but the celebrity needs to match the product. A good brand campaign idea and an intrinsic link between the celebrity and the message are musts for a successful campaign. Celebrities are no doubt good at generating attention, recall and positive attitudes towards advertising provided that they are supporting a good idea and there is an explicit fit between them and the brand. On the other

hand, they are rendered useless when it comes to the actual efficiency of the core product, creating positive attitudes to brands, purchase intentions and actual sales.

Certain parameters that postulate compatibility between the celebrity and brand image are:

- Celebrity's fit with the brand image.
- Celebrity—Target audience match
- Celebrity associated values.
- Costs of acquiring the celebrity.
- Celebrity—Product match.
- Celebrity controversy risk.
- Celebrity popularity.
- Celebrity availability.
- Celebrity physical attractiveness.
- Celebrity credibility.
- Celebrity prior endorsements.
- Whether celebrity is a brand user.

AN INDIAN PERSPECTIVE-

The latter part of the '80s saw the burgeoning of a new trend in India— brands started being endorsed by celebrities. Hindi film and TV stars as well as sportspersons were roped in to endorse prominent brands. Advertisements, featuring stars like Tabassum (Prestige pressure cookers), Jalal Agha (Pan Parag), Kapil Dev (Palmolive Shaving Cream) and Sunil Gavaskar (Dinesh Suitings) became common. Probably, the first ad to cash in on star power in a strategic, long-term, mission statement kind of way was Lux soap. This brand has, perhaps as a result of this, been among the top three in the country for much of its lifetime.

In recent times, we had the Shah Rukh-Santro campaign with the objective of mitigating the impediment that an unknown Korean brand faced in the Indian market. The objective was to garner faster brand recognition, association and emotional unity with the target group. Star power in India can be gauged by the successful endorsement done by Sharukh for three honchos- Pepsi, Clinic All Clear and Santro. Similarly, when S Kumars used HrithikRoshan, then the hottest advertising icon for their launch advertising for Tamarind, they reckoned they

spent 40 - 50 per cent less on media due to the sheer impact of using Hrithik. Ad recall was as high as 70 per cent, and even the normally conservative trade got interested.

In the Indian context, it would not be presumptuous to state that celebrity endorsements can aggrandize the overall brand. We have numerous examples:



AAMIR KHAN STATING THANDA MATLAB COCA COLA

A standard example here is Coke, which, till recently, didn't use stars at all internationally. In fact, India was a first for them. The result was a ubiquitously appealing Aamir cheekily stating *Thandamatlab Coca Cola*.

The recall value for Nakshatra advertising is only due to the sensuous Aishwarya. The Parker pen brand, which by itself commands equity, used Amitabh Bachchan to revitalize the brand in India. According to Pooja Jain, Director, Luxor Writing Instruments Ltd (LWIL), post Bachchan, Parker's sales have increased by about 30 per cent.

India is one country, which has always idolized the stars of the celluloid world. Therefore it makes tremendous sense for a brand to procure a celebrity for its endorsement. In India there is an exponential potential for a celebrity endorsement to be perceived as genuinely relevant, thereby motivating consumers to go in for the product. This would

especially prove true if the endorser and the category are a natural lifestyle fit like sportspersons and footwear, Kapil-Sachin and Boost or film stars and beauty products.



MICHAEL JORDAN GIVING

THE ADD OF NIKE SHOES

SOME GLOBAL EXAMPLES OF CELEBRITY ENDORSEMENT



BUSTA RYMES –MOUNTAIN DEW

GLOBAL EXAMPLES

Globally, firms have been juxtaposing their brands and themselves with celebrity endorsers. Some successful ongoing global endorsements are as follows:

- Celebrity endorsements have been the bedrock of Pepsi's advertising. Over the years, Pepsi has used and continues to use a number of celebrities for general market and targeted advertising, including Shaquille O'Neal, Mary J. Blige, Wyclef Jean, and Busta Rhymes, who did a targeted campaign for their Mountain Dew product.
- George Foreman for Meineke. He has also sold more than 10 million Lean Mean Fat--Reducing Grilling Machines since signing with the manufacturing company.
- James Earl Jones for Verizon and CNN.
- Nike golf balls, since the company signed Tiger Woods in 1996, have seen a \$50 million revenue growth. Nike's golf line grossed more than \$250 million in annual sales. In 2000 he renegotiated a five-year contract estimated at \$125 million.
- Other successful endorsements like Nike—Michael Jordan, Dunlop—John McEnroe, Adidas—Prince NaseemHamed, and so on.
- Venus Williams, tennis player and Wimbledon champion has signed a five-year \$40 million contract with sportswear manufacturer Reebok International Inc.

Conclusion

Despite the obvious economic advantage of using relatively unknown personalities as endorsers in advertising campaigns, the choice of celebrities to fulfill that role has become common practice for brands competing in today's cluttered media environment. There are several reasons for such extensive use of celebrities. Because of their high profile, celebrities may help advertisements stand out from the surrounding clutter, thus improving their communicative ability. Celebrities may also generate extensive PR leverage for brands. For example, when Revlon launched the "Won't kiss off test" for its Colorstay lipsticks in 1994 with Cindy Crawford kissing reporters, the campaign featured on almost every major news channel and equally widely in the press. A brief assessment of the current market situation

indicates, that **celebrity endorsement** advertising strategies can, under the right circumstances, indeed justify the high costs associated with this form of advertising.

But it would be presumptuous to consider celebrity endorsement as a panacea for all barricades. Celebrity endorsement if used effectively, makes the brand stand out, galvanizes brand recall and facilitates instant awareness. To achieve this, the marketer needs to be really disciplined in choice of a celebrity. Hence the right use of celebrity can escalate the Unique Selling Proposition of a brand to new heights; but a cursory orientation of a celebrity with a brand may prove to be claustrophobic for the brand. A celebrity is a means to an end, and not an end in himself/herself.

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