

Celebrity Endorsement: An Analytical Review

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Abstract – Celebrity endorsement has been established as one of the most accepted tools of advertising in modern era. Its widely accepted use and benefits prove that every company must take into consideration this tool while framing their strategies to get competitive advantage in a market place because it has become a trend and perceived as a winning formula for product marketing and brand building. This paper is a review paper that deals with analytical review of the existing literature to understand the factors effecting celebrity endorsement and its impact. Further an attempt has been made to present it in a synoptic way with the help of review based models. Various determinants of celebrity endorsement were bifurcated in four major factors: Celebrity related, Product related, Customer related and other strategic factor. Several Studies have been conducted to investigate the effectiveness of Celebrity advertisement yet the magnitude of the impact of celebrity endorsement remains under the purview of gray spectacles. Hence, this paper is an effort to analyze the impact of celebrity endorsements with the help of a model.

Keywords: Buying Behavior, Celebrity, Celebrity Endorsement, Purchase Intention.

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INTRODUCTION

The practice of celebrity endorsements has proliferated over time. In the past decade celebrity advertisement has been the most prevalent and successful form of advertising. Reason for this is that celebrities are considered to demonstrate a number of dynamic personalities. Now a day it has become a pervasive element of advertising industry especially in India.

Who are Celebrities?

The term Celebrity refers to an individual who is known to the public (actor, sports figure, entertainer, etc.) for his or her achievements in areas other than that of the product class endorsed (Friedman and Friedman, 1979). As they have a capacity to influence large number of people due to their millions of followers they can promote the product in most efficient way than any other source of advertising.

OBJECTIVE OF THE STUDY

To make a review model of factors effecting celebrity endorsement and its impact

RESEARCH METHODOLOGY

The Research Design of the present study is Descriptive. Data is collected from various Online

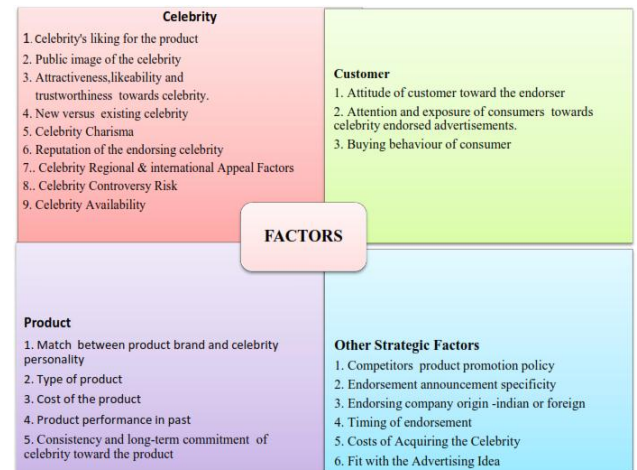
sources including e-journals mainly from the websites such as Google Scholar, SSRN, J-store, relevant literatures and through discussions. The results of various studies conducted on the topic were intensively analyzed to draw a review based model for the factors effecting celebrity endorsement. Further the impact of celebrity endorsement on the performance of the company was portrayed with help of model.

REVIEW OF LITERATURE

S. No	Topic	Name of the Author	Year	Research Design	Sample size	Objective	Tools and Techniques used	Findings
1.	Effectiveness of Celebrity Advertisement on Select FMCG – An Empirical Study	Dr. J. Sodevia	2014	Empirical	500	To investigate the opinion of the consumer towards celebrity advertisements on selected fast moving consumer products.	Percentage Analysis and one sample T test	The results of the study prove that celebrity advertisements have a positive effect on the consumers of FMCG
2.	Endogan	Zaher	1999	Descriptive research	-	To explore variables to be considered in any celebrity selection process by drawing together strands from various literatures.	-	Attractiveness, likability, and trustworthiness were the main variables found in the study for which firms make celebrity endorsement. Mostly these qualities operate in a transferable way, and will generate positive output but in some cases celebrity qualities may be inappropriate, irrelevant, and undesirable.
3.	David H. Silvers	Factors predicting the effectiveness of celebrity endorsement advertisements	2004	Exploratory and Descriptive	-	To examine whether consumers infer that celebrity endorses like the products they endorse, and presents a model using these inferences and other characteristics of the endorser to predict attitudes toward the endorsed product.	-	The results of the study present a model indicating that product attitudes were predicted by inferences about the endorser's liking for the product and by attitudes toward the endorser.
4.	Roshana Farhat & Dr. Bilal Mustafa Khan	An Exploratory Study of Celebrity Endorsements	2011	Exploratory study	100	To trace the effect of a celebrity (Shahrukh Khan), on building a relationship in terms of congruity between the brand personality and consumer personality	Mean Deviations	The results proved that successful brand promotion needs congruity between the brand's and the endorser's personality, though it may be moderate
5.	Rajni Surana	The Effectiveness of Celebrity Endorsement in India	2008	Qualitative methods- Interviews	-	To examine the perception of these Indian Consumers about the celebrity endorsement process and the subsequent impact on their purchase decisions	Tables and descriptive analysis	There were some respondents whose thoughts were synonymous to the previous literature whereas responses of some respondents are contradictory. They believe that negative publicity of the celebrity is not taken in a critical attitude. Moreover, Celebrity endorsement strategy can be used to differentiate products from that of the competitors provided the 'right celebrity' is found

6.	J.Sridevi	Effectiveness of celebrity endorsement in brand recall and brand recognition	2012	Exploratory Research	50	To study the effectiveness of celebrity endorsement in Brand recall And Brand Recognition.	Percentage analysis	Celebrity endorsement help in product information and creates awareness among consumers. It helps them to recall the brand of the FMCG's at the time of purchase. The purchase attitude change of consumers is influenced by the celebrity endorsement factors, like better brand recognition more weight age, truth in testimonials, and satisfied feel.
7.	Somdutta Biswas, Mahmood Hussain and Kathleen O'Donnell	Celebrity Endorsements in Advertisements and Consumer Perceptions: A Cross-Cultural Study.	2009	Exploratory Research		To examine consumer perception of celebrity endorsement we used Hofstede's cultural dimensions to develop research propositions and examined these propositions through focus group discussions involving consumers from India and the United States.		Findings indicated that specific differences and similarities exist in how consumers across India and the United States perceive celebrity endorsements. There is a positive, although moderate, impact of celebrity endorsements on attention and exposure of consumers.
8.	Dr. Vipul Jain	Celebrity Endorsement And Its Impact On Sales: A Research Analysis Carried Out In India.	2011	Exploratory Research	50	To examine the relationship between endorsements and brand there by uncaring risks and Returns.	Descriptive statistics using tables and graph	The Results of the study shows that celebrity endorsement positively impact the sales of the product, brand promotion and inducement to consumers and there is no harm to use celebrities for the endorsement of the product as far as Indian consumers are concern.
9.	Rizwan Raheem Ahmed, Sumert Kumar Seodani et al.	Impact of Celebrity Endorsement on Consumer Buying Behavior	2017	Exploratory research	200	1.To examine the impact of celebrity endorsement on buying behavior. 2.To analyze the perception of students and professionals about the celebrity endorsement. 3.To find out the relationship between celebrity endorsement and customer buying behavior. 4.To analyze influence of brand over celebrity endorsement. 5.To analyze that which factor of celebrity attracts more to the public.	Regression, correlation and frequency analysis.	Findings of the study revealed that celebrities endorsed advertisements are more attractive than the non-endorsed advertisements. Moreover positive relationship among celebrity endorsement, buying behavior and brand perception was found.
10.	Onavio Freire	The effectiveness of celebrity endorsement in aspiring celebrities: Examining the effects of brand, congruency, charisma and overexposure	2016	Exploratory Cum Descriptive	664	The purpose of this paper is to analyze the effectiveness of celebrity endorsement effect in an aspiring new celebrity	Median and Correlation	The results demonstrate the effectiveness of this celebrity endorsement, as well as the effect of different contexts on endorsement, demonstrating that although new celebrities are less affected by acclaimed celebrities, as they become better known, the endorsement of celebrities with charisma and who relating in some way to the aspiring celebrity, can be an effective strategy, especially for the beginners in the career
11.	G.Radhya and Jija P.	Influence of celebrity endorsement on consumer's purchase decision	2013	Exploratory Cum Descriptive	200	This study aims to analyse the influence of celebrity endorsement on the consumers purchase decision.		Findings of the research reveals that celebrity endorsement is a good tool of brand promotion and it effect the purchase decision positively but quality of the product still consider important factor.
12.	K. Kothabagada D. M. R. Dissanayake	Perceived Effectiveness Of Celebrity Endorsement On Perceived Brand Evaluation In The Scope Of Services Sector: A Review Paper.	2017	Conceptual	-	This paper focuses to postulate how the effectiveness of celebrity endorsement influences perceived brand evaluation in services sector brands by specifying Sri Lanka as a specific context.	"Absorption-Addiction Model	Findings revealed that theories regarding celebrity endorsement supports AAM (Absorption addiction model) which suggests that people pursue par social relationship due to deficit with in their real life.
13.	Jagdish Agrawal and Wagner A. Kamukara	An Economic Worth of Celebrity Endorsement: An Event Study Analysis	2014	Empirical	110	To assess the impact of celebrity endorsement contracts on expected profitability of firms.	Event study – market model	Results indicate that the result of these contracts on stock return is positive and suggest that celebrity endorsement contracts are generally viewed as worthwhile investment in advertising.
14.	Arpita Agnihotri, Saurabh Bhattacharya	The Market Value Of Celebrity Endorsement: Evidence from India Reveals Factors That Can Influence Stock-Market Returns	2016	Exploratory	149 News Events	To study the impact of celebrity endorsement on stock market responses and to find influencing factors		The results indicate that, in India, variables such as endorsement announcement and specificity, the reputation of the endorsing celebrity, and whether the endorsing company is of Indian origin can generate positive abnormal returns.
15.	Dehpreasad Mukherjee	Impact of Celebrity Endorsements on Brand Image	2009	exploratory	100	To study the impact of the celebrity endorsement on effective brand management and evaluate associated factors that contribute to the success or failure of the endorsement.	Sample distribution analysis and regression technique	The followings factors impacting the success of celebrity endorsement: Consistency and long-term commitment, Prerequisite celebrities, Celebrity-brand match, Constant monitoring, Selecting unique entries, Timing, Mysopic endorsement strategy.
16.	Meenakshi Aggarwal Gupta Priya Jha Dang	Examining Celebrity Expertise and Advertising Effectiveness in India	2009	Exploratory	114	Aim to examine how using an expert versus a non-expert celebrity impacts the ad and brand evaluation and purchase intention for an expertise related product.	2 Pre and post test	Celebrity endorsement create favorable responses on attitude towards the ad for the product but had no effect on attitude towards brand evaluation and purchase intention.
17.	Anni Kumar	Celebrity Endorsements and its Impact on Consumer Buying Behaviour	2010	exploratory	101	To examine the perception of Indian consumers about celebrity endorsements and the celebrity attributes that are likely to influence consumer purchase intentions and finally the impact of celebrity endorsements on their purchase intention.	Descriptive Frequency analysis, Correlation analysis and Regression tests	Celebrity endorsements are more attractive and influential as compared to non-celebrity endorsement. Moreover, the celebrity attributes and celebrity endorsement impact positively to purchase intention of the consumers.
18.	Puja Khatri	Celebrity Endorsement : A Strategic Promotion Perspective.	2006	descriptive		To examine the relationship between endorsements and brand thereby uncaring risks and returns related to it.		An assessment of current market situation indicated that celebrity endorsement and advertising strategies if correctly blended in terms of marrying the strengths of the brands with the celebrity's quality indeed justify the high cost associated with this form of advertising. Therefore,Marketer has to decide how far the benefits outweigh the risks associated.
19.	Puja Wala Mann	Effectiveness of Advertisement on Rural vs Urban Youth Buying Behaviour	2010	Descriptive	930	To comparatively study the Impact of endorsement advertisement on Rural vs. Urban Buyer Behaviour.	Simple percentage technique ,Chi-square test .	Majority of the people from Urban segment and from Rural segment believe that celebrity advertisement do have high recall rate.Consumer correlate the products by their favourite celebrity.Customer remember the celebrity in the advertisement and somehow tends to forget the brand.
20.	Radhika Walthera, Nisha Chawla	Celebrity Endorsement And Attitude: A Study To Assess The Impact Of Celebrity Endorsement Attitude On Consumers	2017	Descriptive	50	To explore the impact of celebrity endorsement on attitude of people towards social cause.	Percentage, Average, Z-test and standard deviation	Celebrity endorsement has a potential of being noticed and liked by the viewers. Following celebrity endorsement factor impact the company. If respondents get their desired celebrities, then they influence purchasing decision of buyer. If celebrities enter into marketing that it improves social status of companies. If celebrity entered into marketing it cannot convey all the features of the product.

FACTORS EFFECTING CELEBRITY ENDORSEMENT



ANALYSIS

Explanation

In the wake of existing literature different determinants of celebrity endorsement have been identified and further all the determinants are classified into four major factors: Celebrity Related, Customer Related, Product Related and other strategic factors. These are the key factors which result in the success of this mode of advertising.

- **CELEBRITY RELATED:** To achieve the objectives of the organization managers must take celebrity related factors into consideration like celebrity's liking for the product, Reputation of endorsing celebrity, celebrity charisma etc.

- **CUSTOMER RELATED:** Customer perceptions about celebrity endorsement have been of big interest by researchers .The result analyzed shows that one of the main advantage of involving celebrity for advertising is to build a relationship with customer and to retain them . As customer is the king of market , their attitude towards endorser and exposure towards celebrity endorsed advertisements need to be kept in mind while going for celebrity endorsement.

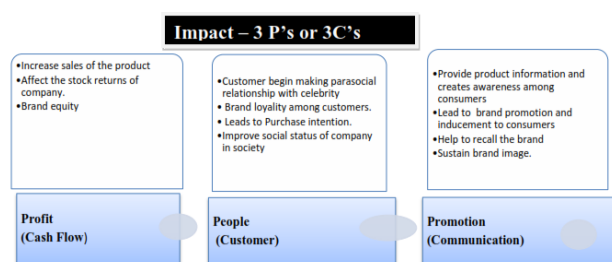
- **PRODUCT RELATED:** Before signing on celebrities to endorse their product, companies need to ensure that they pay attention to these product related factor like match between product brand and celebrity personality ,type of product to be endorsed, cost of product ,previous product performance etc.

- **OTHER STRATEGIC FACTOR:** Companies should also monitor other

strategic factor that affect celebrity endorsement .They are as follows-

- √ Competitor promotion strategy – By keeping an eye on competitor celebrity endorsement policy, company can match performance of competitor celebrity and their own celebrity.
- √ Timing of endorsement- It is a vital determinant in celebrity endorsement. Though right celebrity has been chosen but if timings are not right for endorsement, it can bring negative results for the company.
- √ Endorsement announcement Specificity- Proper and formal endorsement communication channel contribute to the success of celebrity endorsement.
- √ Cost of acquiring celebrity-As celebrity command high price tag, Company should take their cost in consideration before selecting celebrity.

IMPACT OF CELEBRITY ENDOSEMENT



Explanation The impact of celebrity endorsement is like a two edged sword having both positive and negative impact. In this paper, a model is been formed showing the impact of celebrity endorsement .It is known as 3P's corresponding to 3 C's. These are as follows –

1. **Profit**-It is related to the monetary benefit that the company gain by using celebrity endorsement. Celebrity endorsement impacts the sales of the product and public expectations about the company which in turn affect the market share price of company. The returns or cash flows can enter into organization directly or indirectly.
2. **People** – Celebrity endorsement will not only get you new customers, it will also help to retain existing customer. Effective celebrity endorsement improves social status of company, Create purchase intention in customer and bring brand loyal customer.
3. **Promotion**- Celebrity acts as a medium between company and customer. They communicate product information and create awareness among consumers .Moreover,

celebrity endorsement help in promoting brand and attract customer. Customers associate celebrity with brand which helps them to recall the brand.

CONCLUSION

This study offers interesting ideas about celebrity endorsement. From the given literature, Researchers suggested many important factors affecting celebrity endorsement that the company need to study while hiring the celebrity for their advertisement. This paper is intended to design a model categorizing these factors under 4 important heads namely celebrity related, customer related, product related and other strategic factors. Advertiser has to be aware of the complexities underlying celebrity endorsement by gaining clarity on these described factors. Further, this research shows that endorsing a celebrity who is trustworthy and expert in his field impacts Company by bringing 3P's for the company i.e Profit, People and Promotion. Profit stands for Cash flow, People as customer and Promotion as Communication. So, these also reflect 3C's namely Cash flow, Customer, Communication corresponding to each P. Celebrity endorsement if used effectively impacts positively in the way it makes the brand stand out, galvanize brand recall and induce customer to buy company product. But to achieve this, the marketer needs to be really disciplined in choice of a celebrity. Finally, it contributes to the factor affecting celebrity endorsement model with the descriptive analysis that investigates previous theories related to this type of research.

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