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REVIEW ARTICLE

IMPACT OF CELEBRITY ENDORSEMENT ON A BRAND

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Impact of Celebrity Endorsement on a Brand

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INTRODUCTION

The intense usage of celebrity endorsement as a tool of advertising strategy has increased drastically in the past few years; celebrities have been used to promote various kinds of products and services, from sports to beverages to all kinds of electronics and several other products. The drastic rise of celebrity endorsers is not limited to a specific sector of the economy, companies using celebrity endorsement cut across all industry categories —including packaged goods, telecommunication, financial services and automobile industries (Thompson, 1998, Okorie, 2010; Okorie & Aderogba, 2011).

In India a celebrity idolizes in the mind of the consumer so large that any activity can be capitalized on their huge fan followers (Erdogan, 1999). Therefore the huge and binding relationship between celebrity endorsement and consumer behavior cannot be ignored or undermined in a competing business environment like India Using well-known and admired people to promote products is a widespread phenomenon with a long marketing Consequently, in choosing a celebrity endorser, it is important for the celebrity to be well enough known that the awareness, image, and responses for the brand may be improved. (Goldsmith et al, 2006) In particular, a celebrity endorser should have a high level of visibility and a rich set of potentially useful associations, judgments, and feelings. Ideally, a celebrity endorser would be seen as credible in terms of expertise, trustworthiness, and likeability or attractiveness, as well as having specific associations that carry potential product relevance. (Goldsmith et al,

Today celebrity endorsement is being seen more and more as an integral part in an integrated marketing communication strategy. Hamish and Pringle (2004) suggest 3 macro factors present in the market today that in principal justifies the validity of celebrity endorsement as a promotional strategy. The first factors the increasing opportunity for interactivity between brands and their consumers. Second is the "era of consent" situation present today where consumers have more control over the messages they receive. And lastly is the increasing media

fragmentation and commercial communication clutter. (Temperley and Tangen, 2006)

BRAND ENDORSEMENTS

it is very important to choose Right Brand endorser at the Right time and for right product. For example Reebok India chose M.S. Dhoni as their brand ambassador for one reason which is the expenditure on getting his association with the brand would have become expensive when he started performing excellently and other some other brand would have picked him. It was considered for right product as Reebok India is spending huge sum on capturing cricket associated product market i.e. the products required for playing cricket are the best one's manufactured by Reebok across all other sports brands in India.The essence of an endorsement strategy consists in creating an emotional tie between the consumer and the endorsers. The positive associations that, in people's perception, are attached to the athlete (e.g. success, invincibility,) have to be transferred to the product.

Corporate sponsorship of sport, including athlete endorsements as a substantial component, has received no exhaustive academic attention argue that the practice of sponsorship by marketing practitioners has been a success and the influence rate is High.Celebrities ensure attention of the target group by breaking the clutter of advertisements and making the advertisement and the brand more noticeable. A celebrity's preference for a brand gives out a persuasive message and hence, because the celebrity is benefiting from the brand, the consumer will also benefit.

There is a demographic and psychographic connection between the stars and their fans. Demographic connection establishes that different stars appeal differently to various demographic segments i.e. age, gender, class, geography etc., while psychographic connection establishes that stars are loved and adored by their fans.

Some stars have a universal appeal and therefore prove to be a good bet to generate interest among

the masses. Another invaluable benefit from celebrity endorsements is the public relation opportunities.

Looking at the effect of celebrity endorsement on the wealth of a company a classic example of Michael Jordan.

At the time of rumors of Michael Jordan returning to NBA in 1995, he was endorsing products of:

- General Mills (Wheaties),
- McDonalds (Quarter Pounders, Value Meals),
- Nike (Air Jordan),
- Quaker Oats (Gatorade)
- Sara Lee (Hans Underwear).

Study Related to this associated with Jordan's endorsements shows that the anticipation of Jordan's return to NBA, and the related increased visibility for him resulted in increase in the market adjusted values of his client firms of almost 2 percent, or more than \$1 billion in stock market value.

Semi-partial endorsement indicates that when a company uses famous characters from any TV soaps for brand endorsements, consumers tend to relate to the character that he or she plays in the soap and hence can attract more credibility.

For example, Smriti Irani who plays 'Tulsi' in a famous soap has garnered a lot of support from the middle-class housewife today. If she would endorse a brand, there would be more relativity and credibility.

Same can be said about Priya Tendulkar who used to play the character of Rajani.

1.5 ADVANTAGES OF A CELEBRITY ENDORSING A BRAND

Brands have been leveraging celebrity appeal for a long time. It is happening across categories, whether in products or services, more and more brands are banking on the mass appeal of celebrities.

E.g. Rahul Dravid one time captain of Indian Cricket team is a Brand Endorser for Reebok India Ltd and internationally US Actress Scarlet Johnson is also a brand endorser for Lifestyle category of Reebok Inc. (Internationally & Domestically). For Pantaloon an Indian Brand the Brand Endorser for fresh fashion Apparels and Accessories is Bipasha Basu, lara Dutta, Zayed Khan & Sunny Doel all of these accreted names are Bollywood Stars The accruement of celebrity endorsements can be justified by the following advantages that are bestowed on the overall brand:

1.5.1 Establishment of Credibility:

Approval of a brand by a star fosters a sense of trust for that brand among the target audience- this is especially true in case of new products. There was a promo of cars by Shah Rukh-Santro campaign. At launch, Shah Rukh Khan endorsed Santro and this ensured that brand awareness was created in a market, which did not even know the brand.

1.5.2 Ensured Attention:

Celebrities ensure attention of the target group by breaking the clutter of advertisements and making the ad and the brand more noticeable. For e.g. Sania Mirza a brand endorser for Umbro a sports brand definitely catches the attention of her Fans who would like to perform like her and sport the apparels, accessories & footwear which she is sporting.

1.5.3 PR Coverage:

It is one major reason for using celebrities. Managers perceive celebrities as topical, which create high PR coverage. A good example of integrated celebrity campaigns is one of the World's leading pop groups, the Spice Girls, who have not only appeared in advertisements for Pepsi, but also in product launching and PR events.

1.5.4 Higher degree of recall:

People tend to commensurate the personalities of the celebrity with the brand thereby increasing the recall value. Golf champion Tiger Woods has endorsed American Express, Rolex, and Nike.

007 Pierce Brosnon promotes Omega, BMW, and Noreico.

1.5.5 Associative Benefit

A celebrity's preference for a brand gives out a persuasive message - because the celebrity is benefiting from the brand, the consumer will also benefit. For e.g. Sachin Tendulkar's performance is positively correlated with the kind of Bat he uses and kind of footwear he sports as performance Adidas got its share of benefit by taking him as a brand endorser.

1.5.6 Mitigating a tarnished image:

Cadbury India wanted to restore the consumer's confidence in its chocolate brands following the high-pitch worm's controversy; where the company appointed Amitabh Bachchan for assuring it to people across the country that he is taking assurance of the product. In 2004, even more controversial pesticide issue shook up Coca-Cola and which resulted in much negative press, the soft drink major put out high-profile damage control ad films featuring its best and most expensive celebrity. Aamir Khan led the Coke fight

back as an ingenious and fastidious person who finally got convinced of the product's purity.

1.5.7 Psychographic Connect:

Celebrities are loved and adored by their fans and advertisers use stars to capitalize on these feelings to sway the fans towards their brand.

1.5.8 Demographic Connect:

Different differently various stars appeal to segments demographic (age, gender, class, geography etc.).

1.5.9 Mass Appeal:

Some stars have a universal appeal and therefore prove to be a good bet to generate interest among the masses. e.g.- thery Henry

1.5.10 rejuvenating a stagnant brand:

With the objective of infusing fresh life into the stagnant chyawanprash category and staving off competition from various brands, Dabur India roped in Bachchan for an estimated Rs 8 crore.

1.6 **CELEBRITY ENDORSEMENT** CAN SOMETIMES COMPENSATE FOR LACK OF **INNOVATIVE IDEAS**

A celebrity is used to impart credibility and aspiration 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.

1.7 **PARAMETERS THAT POSTULATE** COMPATIBILITY BETWEEN THE CELEBRITY AND BRAND IMAGE ARE:

- 1. Celebrity's fit with the brand image
- 2. Celebrity—Target audience match
- Celebrity associated values. 3.
- 4. Costs of acquiring the celebrity

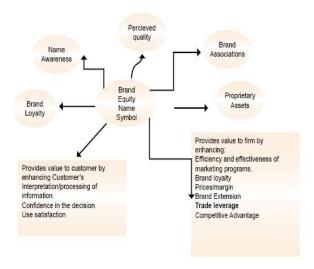
- Celebrity—Product matches
- Celebrity controversy risk
- Celebrity popularity
- Celebrity availability
- Celebrity physical attractiveness
- 10. Celebrity credibility
- 11. Celebrity prior endorsements
- 12. Whether celebrity is a brand user
- 13. Celebrity profession

1.8 **CELEBRITIES ENDORSE ENDORSING** THE RELATED SPORTING PRODUCTS AS **FOLLOWS:**

- (a) Increasing awareness of
- **Brand** B
- Product
- Company B
- (b) Image building of
- **Brand**
- **Product**
- Company
- (c) Athletes can provide testimony for a product of service, particularly when the product has contributed to their celebrity.

The whole Business environment possesses a motive for Brand Endorsements:

- a) Media objectives
- b) Cost effectiveness
- Reaching target markets
- Image based Objectives
- Sponsorship objectives for business
- Broad corporate objectives



The scope of a celebrity on the incumbent brand:

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:

Using the product 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. If Play Dry Technology fabric's apparel is used by M.S. Dhoni (Current Indian Cricket Captain) than a teenager would like to wear clothes which are worn by him.

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, Nike, Bajaj, and 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
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.

1.9 IMPEDIMENTS OF CELEBRITY ENDORSEMENTS

1.9.1 Disadvantages of a celebrity endorsing a brand:

The celebrity approach has a few serious risks:

The reputation of the celebrity may derogate after he/she has endorsed the product:

Pepsi Cola's suffered with three tarnished celebrities -

Mike Tyson

🖎 Madonna

Michael Jackson.

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Since the behavior of the celebrities reflects on the brand, celebrity endorsers may at times become liabilities to the brands they endorse.

1.9.2 The vampire effect:

The terminology vampire effect pertains to the issue of a celebrity overshadowing the brand. If there is no congruency between the celebrity and the brand, then the audience will remember the celebrity and not the

Examples are the campaigns of Dawn French—Cable Association and Leonard Rossiter-Cinzano. Both of these campaigns were aborted due to celebrities getting in the way of effective communication. Another example could be the Castrol commercial featuring Rahul Dravid.

1.9.3 Inconsistency in the professional popularity of the celebrity:

The celebrity may lose his or her popularity due to some lapse in professional performances.

For example, when Sachin Tendulkar endorser of Adidas went through a prolonged lean patch recently, the inevitable question that cropped up in corporate circles - is he actually worth?

The 2003 Cricket World Cup also threw up the Shane Warne incident, which caught Pepsi off guard. With the Australian cricketer testing positive for consuming banned substances and his subsequent withdrawal from the event, bang in the middle of the event, PepsiCo - the presenting sponsor of the World Cup 2003 - found itself on an uneasy wicket

Multi brand endorsements by the same celebrity would lead to overexposure:

The novelty of a celebrity endorsement gets diluted if the endorser does too many advertisements.

This may be termed as the commoditization of celebrities, who are willing to endorse anything for big bucks.

Example, the MRF was among the early sponsors of Tendulkar with its logo emblazoned on his bat. But now Tendulkar endorses a myriad brands (Adidas, Boost, and Pepsi etc) and the novelty of the Tendulkar-MRF campaign has scaled down.

Example, Amitabh Bhachhan has a lot of brands to endorse like: Dabur, Cadbury, Himalaya's Navratna, Raymonds, Satmola, Indian Government's Polio Scheme. Which creates a confusion amongst the customers as to go by his words for

Celebrities endorsing one brand and using another (competitor): Sainsbury's encountered a problem with Catherina Zeta Jones, whom the company used for its recipe advertisements, when she was caught shopping in Tesco.

A similar case happened with Britney Spears who endorsed one cola brand and was repeatedly caught drinking another brand of cola on tape.

Mismatch between the celebrity and the image of the brand: Celebrities manifest a certain persona for the audience.It is of paramount importance that there is an egalitarian congruency between the persona of the celebrity and the image of the brand. Each celebrity portrays a broad range of meanings, involving a specific personality and lifestyle. Madonna, for example, is perceived as a tough, intense and modern women associated with the lower middle class. The personality of Pierce Brosnan is best characterized as the perfect gentlemen, whereas Jennifer Aniston has the image of the 'good girl from next door'.

Successful celebrity endorsements for a brand-

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 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 Hrithik Roshan, 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 exemplifying this claim. 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 *Thanda matlab 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.

SOME 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 Naseem Hamed, 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 some of the economic advantages of taking relatively unknown personalities as endorsers in advertising campaigns, choosing celebrities to fulfill that role has become common practice for todays competing brands in a present cluttered media environment. There are several reasons for such extensive use of celebrities. Because of their attractiveness, celebrities may help advertisements stand out from the surrounding clutter, thus improving their communication and recalling ability. Celebrities may also generate huge 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.

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