

## IMPACT OF CELEBRITY ENDORSEMENT ON MARKETING SUCCESS

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### ABSTRACT

*The practice of celebrities being used for rendering services other than performing their actual job as either an actor or an athlete, such as endorsements has proliferated over time. Despite the cost and the risks involved with this technique of advertising, it is been used quite extensively in the present era. The instrument of celebrity endorsement has nowadays become a pervasive element in advertising and communication management.*

*India as a country is known for loving its stars. The Indians idolize their bollywood actors and cricketers such as Amitabh Bachhan, Shahrukh Khan, Sachin Tendular, M.S. Dhoni and many more. The advertisers see this as an opportunity to grab and work on so as to expand their operations and promote their product.*

*This paper focuses on the impact of celebrity endorsement on the overall process of brand building. This paper also made an attempt to define: how to make celebrity endorsement a win-win situation for both the brand and the brand-endorser. As “**Brand**” is the most valuable asset of any firm.*

**Keywords:** *Celebrity, Brand, Advertisement, Marketing and explicit.*

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## INTRODUCTION

Today one of the most prevalent forms of retail advertising is through using of celebrity endorsement (White et al, 2007). In fact about 25 percent of all television advertisements use celebrities in order to promote brands (Erdogan et al, 2001). These endorsers are being paid by about 10 percent of advertiser's budgets (Agrawal and Kamakura, 1995). Marketers invest huge amounts of money in contracts with celebrity endorsers each year, since they believe that celebrities affect the process of selling of their brands or products (Katyal, 2007). A celebrity endorser can be a well known person (e.g., actors, sports figures and artists) because of his successes in a specific field other than the endorsed product class (James, 2004)

Since presence of celebrity endorsers affects purchase decisions of consumers positively, producers and retailers have always preferred to use celebrity endorsements in order to sell their products (Stafford et al, 2003; Erdogan, 1999; Kamins, 1990). Kaikati (1987) believes that using of celebrities in advertisements could have many benefits and advantages including: 1) facilitating of brand identification, 2) changing or impressing the negative attitude towards a brand, 3) repositioning an existing brand, 4) global marketing or positioning of a brand or product and 5) affecting purchase intentions of consumers.

Studies reveal that using of attractive celebrity causes to increase attitude towards advertisements. Such attitude towards advertisements is defined as "mental states which are used by individuals to organize the way they perceive their environment and control the way they respond to it" (Haghirian, 2004). There is a considerable correlation between desirable attitudes with regard to advertising and rating of certain advertisements by respondents as being likeable, irritating, delightful, etc (Bauer and Greyser, 1968). Celebrity endorsers enhance awareness of a company's advertising, create positive feelings towards brands and are perceived by consumers as more amusing (Solomon, 2002) Thus using of a celebrity in advertising causes to influence brand attitude and purchase intentions of consumers in a positive way. Celebrity endorsement has a strong effect on consumers' memory and learning approach too. Most consumers are not in a purchasing situation when they are encounter with message of the brand. Marketers use celebrity endorsement in order to help better storage of information in consumers' minds which they can easily remember in purchasing situations (Schultz and Brens, 1995). However, there are many studies about celebrity endorser, but it seems that there are limited researches about the relationship between celebrity endorser and attitudes.

## WHO IS A CELEBRITY?

Celebrities are people who enjoys public recognition whereas attributes like attractiveness, extraordinary lifestyle are just examples and specific common characteristics cannot be observed though 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 (Schlecht, 2003).

According to **Friedman and Friedman**, a “celebrity endorser is an individual who is known by the public for his or her achievements in areas other than that of the product class endorsed”. Compared to other endorser types, famous people always attach a greater degree of attention, recall and loyalty.

Celebrities can catalyze brand acceptance and provide the enormous momentum that brands require by endorsing the intrinsic value to the brand such as

- a) **Actors** (e.g., Amitabh Bachchan, Shahrukh Khan, Aishwarya Rai, Preity Zinta, Aamir Khan).
- b) **Models** (e.g., Mallaika Arora, Milind Soman, etc),
- c) **Television Personalities** (Husain, Smriti Irani),
- d) **Sports figures** (e.g., Sachin Tendulkar, Sania Mirza, Anna Kournikova, Michael Schumacher.
- e) **Entertainers** (e.g., Cyrus Broacha, Bani, Yudi),
- f) **Pop-stars** (e.g., Madonna, Shakira).

## WHAT IS PRODUCT ENDORSEMENT?

A product endorsement is a form of testimonial from someone which indicates that they like or approval 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 center 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.

## WHAT IS CELEBRITY ENDORSEMENT?

The use of celebrities in order to increase the sales and/ or the recall value of a brand is called celebrity endorsement.

The late 80's saw the beginning of celebrity endorsements in advertising in India. Hindi film and TV stars as well as sportspersons began encroaching on a territory that was, until then, the exclusive domain of models. There was a spurt of advertising, featuring stars like Tabassum (Prestige pressure cookers), Jalal Agha (Pan Parag), Kapil Dev (Palmolive Shaving Cream) and Sunil Gavaskar (Dinesh Suitings). Of course, probably the first ad to cash in on star power in a strategic, long-term, mission statement kind of way was for Lux soap, a brand which has, perhaps as a result of this, been among the top three in the country for much of its lifetime. Endorsements by celebrities have started since a long time. The very fact that their use has continued for so long is proof enough of its immense advantages, but they have several disadvantages too. When it comes to celebrity endorsement, the first brand that comes to the Indian mind is that of Lux, the Beauty Bar of the Stars. Since its inception, Lux the brand has grown positioning itself thus. However, recently Lux has tried to change its positioning from being a woman's soap to being soap for men as well. Sticking to its strategy of using celebrities to appeal to its target audience, this time around it has used Shah Rukh Khan to endorse Lux. But this time the response has been confusing.

The concern of all marketing today is that whether this special form of celebrity endorsement affects consumers brand attitudes? Madhurkar Sabnavis, Country Manager- Discovery O & M points out that multiple endorsements affect the endorser creditability as people know that a celebrity is paid to sell the product. The endorsement of as many as four products negatively influences the celebrity spokesperson's creditability (expertise trustworthiness) and likeability. Reasons may be found in the lack of distinctiveness, with one famous person enduring several products instead of concentrating on and representing one specific brand. (Trippiet at, 1994) On the other hand, research has suggested that celebrity endorsed has potential positive effect like transfer of positive brand images and shaping of consumer's response when more than four products are endorsed.

## RESEARCH OBJECTIVE

The topic of celebrity endorsements and its elements is heavily documented in academic literature, but what makes this research interesting is that it enables us to understand the celebrity endorsement process from an Indian consumer's point of view. Following are the objectives of the research.

- 1) To study the impact of celebrity endorsement on the overall process of brand building
- 2) To study the relationship between celebrity endorser and brand.
- 3) To analyze whether the buying ability of the consumer is affected by advertisement
- 4) To study the intention of buyers towards celebrity endorser.

## **METHOD**

### **Data Collection**

Information was obtained from randomly selected students and staff from an affiliated Technical Institutions of Mahamaya Technical University, Noida situated at Shamli, through survey questionnaires during July- August, 2012. A total sample of 50 participants was obtained. The sample was composed of 35 female (71 percent) and 15 male (29 percent). A cluster sampling procedure with age and degree as main control variables was applied. All questionnaires were self-administered by the participants without interference from researchers.

### **Measures**

The study uses multi-item scales to measure the constructs in our model. All items in the questionnaire were measured on a five-point Likert-type scale anchored from “strongly disagree” (1) to “strongly agree” (5). Some of the measures were available in the literature, though most were adapted to suit this particular context. To measure attitude toward celebrity endorser we used ten items. Attitude toward advertisement and attitude toward brand were measured with six items and five items, respectively.

## **DISCUSSION AND SUGGESTION**

- Celebrity endorsements will be more effective when used consistently over time to increase the strength of the link between the celebrity and the endorsed brand
- Celebrity endorsements will be more effective when the ad execution is simple, clean, and free of irrelevant design elements. Focus on the celebrity and the brand together.
- Celebrity endorsements will be more effective when using a celebrity who is not already strongly associated with another product or service.
- Celebrity endorsements will be more effective when using a celebrity with a high “fit”, “congruence”, or “belongingness” with the endorsed brand.
- Celebrity endorsers can be used to effectively reinforce and/or create an image for a product or service.

- Test potential brand/celebrity combinations to ensure that the impression and image of the celebrity is positive for the target audience.
- Celebrity endorsements will be more effective for less familiar brands.
- Celebrity endorsers will be more effective for brands for which consumers have limited knowledge/facts.
- Celebrity endorsers will be more effective when integrated across the elements of the marketing mix.
- Caution in choice of celebrity endorser is warranted given the potential risk of tarnishing the brand's image.

### **LIMITATIONS**

This study has some limitations. The primary limitation of the present research relates to generalized stage. The sample was restricted to students and staff of affiliated institutions of MTU, situated at Shamli and this limits our results to be generalized too. Another relevant consideration is that numerous female in the institutions are more than its male. Also, this study relied exclusively on questionnaires to assess the impact of celebrity endorsement on the overall process of brand building. On the other hand, this paper could not estimate effect of attitude toward celebrity endorser on purchase intention. In addition, our results are relational and not causal; therefore, it cannot be concluded from this study whether attitude toward advertisement and brand is only cause or result of attitude toward celebrity endorser.

### **CONCLUSION**

The study revealed a positive the impact of celebrity endorsement on the overall process of brand building. The majority of the students accepted the fact that celebrity endorser plays a vital role in creating a first image of the product and gradually the quality and price of the product pursuits. The result of this study showed that the positive and significant relationship between attitude toward celebrity endorser and attitude toward advertisements and brands. By analyzing the output resulting from testing hypotheses, it can be concluded that attitude toward celebrity endorser has directly or indirectly influence on attitude toward brand. Consequences suggested that attitude toward advertisement was as a mediator between attitude toward celebrity endorser and attitude toward brand.

Celebrity endorsement is more effective if the customer has an association to the celebrity. According to it the consumer is going to have greater purchase intention towards the endorsed product. It also important to choose a celebrity who uses the product himself.

Consumer has a positive attitude towards the endorsers despite that they have been paid a lot of money. The consumer assumes that the celebrity likes the product that they endorse.

Thus using of a celebrity in advertising causes to influence brand attitude and purchase intentions of consumers in a positive way. Celebrity endorsement has a strong effect on consumers' memory and learning approach too. Most consumers are not in a purchasing situation when they are encounter with message of the brand. Marketers use celebrity endorsement in order to help better storage of information in consumers' minds which they can easily remember in purchasing situations (Schultz and Brens, 1995)

On the other hand, attitude toward celebrity endorser hadn't significant influence on purchase intention. So, future researches should put more effort into making strong believable explanations for how celebrity endorsers are able to have significant influence on consumer intention for purchase.

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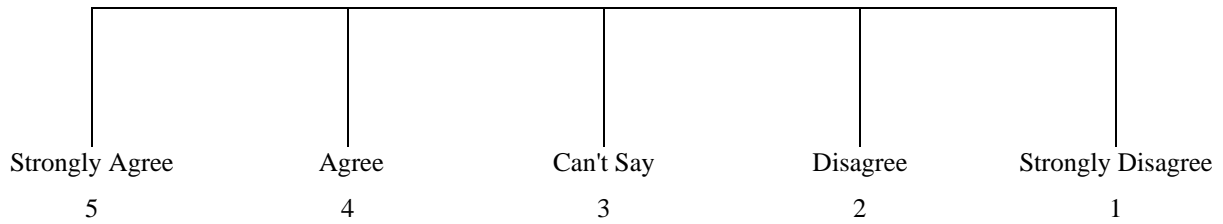
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Age Group	No. of respondents	%	Weight	(W*X)
<b>Mean</b>				
	(X)		(W)	
13-20	5	10		
20-30	40	80		
30-40	1	2		
40-50	2	4		
50 & above	2	4		
<b>Total Respondents</b>	<b>50</b>			

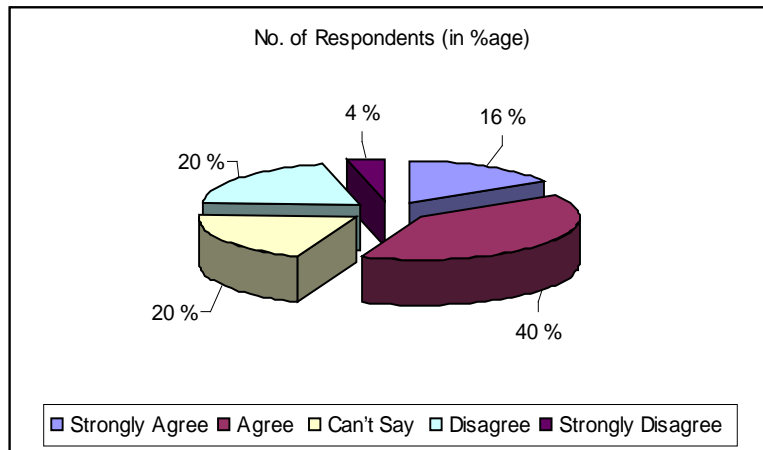


**Likert Scale**



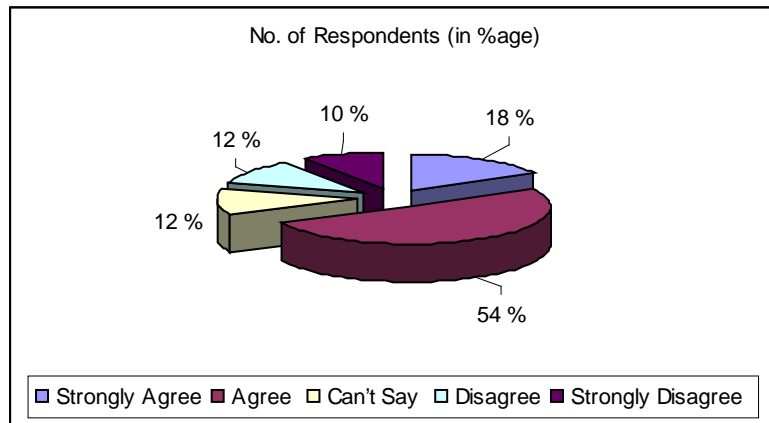
**Q1. Does celebrity endorsed the products which are of good quality?**

	<b>X</b>	<b>%</b>	<b>W</b>	<b>W*X</b>	<b>Mean</b>
Strongly Agree	8	16	5	40	
Agree	20	40	4	80	
Can't Say	10	20	3	30	
Disagree	10	20	2	20	
Strongly Disagree	2	4	1	2	
	<b>50</b>		<b>172</b>	<b>3.44</b>	



**Q2. Does the total revenue increases when brands are endorsed by celebrities?**

Strongly Agree	9	18	5	45
Agree	27	54	4	108
Can't Say	3	12	3	9
Disagree	6	12	2	12
Strongly Disagree	5	10	1	5
	<b>50</b>		<b>179</b>	<b>3.58</b>



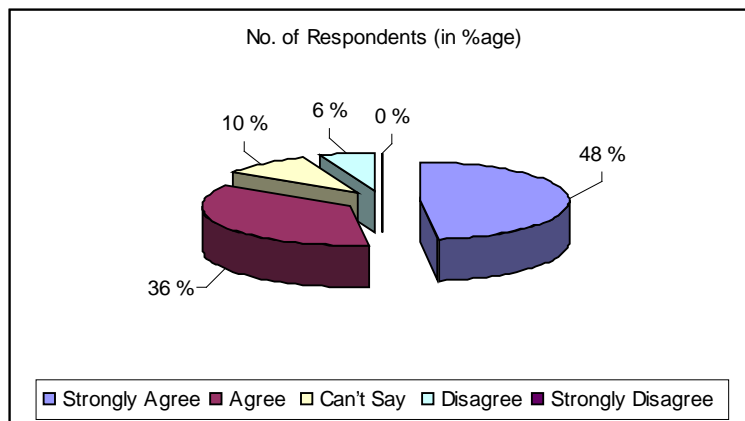
**Q3. Are people motivated for buying a product when their favorite celebrity endorses that?**

Strongly Agree	24	48	5	120
Agree	18	36	4	72
Can't Say	5	10	3	15
Disagree	3	6	2	6
Strongly Disagree	0	0	1	0

50

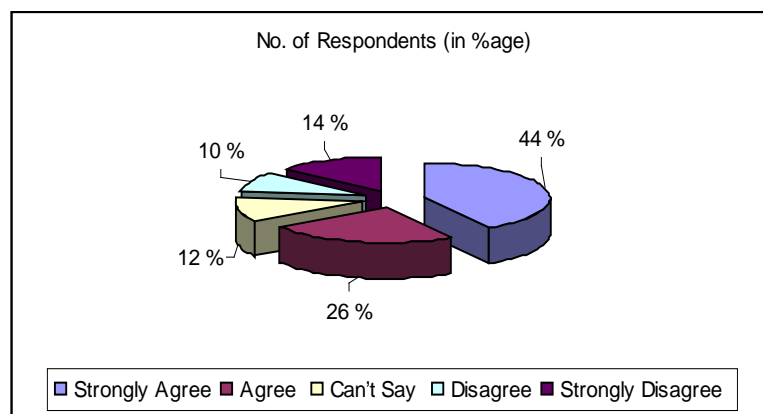
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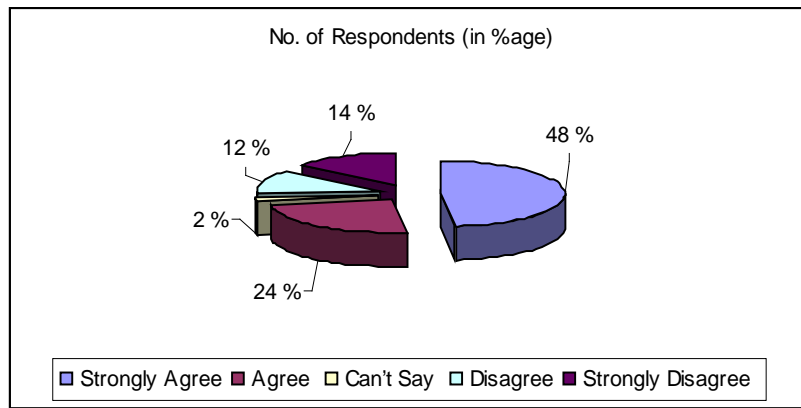


**Q4. Does celebrity endorsement help in promoting the brand?**

Strongly Agree	22	44	5	110
Agree	13	26	4	52
Can't Say	3	12	3	9
Disagree	5	10	2	10
Strongly Disagree	7	14	1	7
	50		188	3.76

**Q5. Does celebrity endorsement help in bringing out brand equity to the product?**

Strongly Agree	24	48	5	120
Agree	12	24	4	48
Can't Say	1	2	3	3
Disagree	6	12	2	12
Strongly Disagree	7	14	1	7
	50		190	3.8



Total Mean

18.84

Average mean

3.76