



# Celebrity Endorsements – Money Well Spent?

Mr. Vibhash Anand

Student at Symbiosis Institute of Management Studies, pune

## ABSTRACT

The markets are flooded with products which are differentiated in features, looks and quality; there is no point where a consumer can differentiate one product from another. So fought on price, but later it was realised that this decreased the profit margins and in turn they can't conform to the quality of the product, which leads to customer dissatisfaction. Thus, marketers decided to fight on advertising their product by creation of brands. Brand creation is a tedious process and it takes a long time for the product to become a brand but, after that selling a brand is very simple as brand recall becomes easy. Brands usually have their brand personality which is reflected in their advertisements. So selection of the endorser for the brand must bear similarity with the brand philosophy. A Wrong selection of endorser may lead to wastage of money and your share in the market won't increase.

To enter into newer segment where the brand was previously not present it is a better option to have a celebrity endorsee who can represent the target market and who can work as a guide to influence the consumer behaviour. Positive attitude associated with the celebrity is reflected on the brand. The Celebrity acts as a credible source who people can believe as most of the consumer & think that advertisements are a mode of alluring them. As celebrities know their importance so they start charging higher sums of money which in turn made keep the products costlier. This may reduce the share of the market the company enjoys as other competitors would be providing the same quality and features at a lower cost.

At the same time due to the hefty amounts charged by the celebrity it's not possible for all companies to hire them as they may not be in a position to invest that much amount in their marketing communication. Also, there is a risk that the celebrity may lose his image, performance and connect with the consumers leading to decline in the market share. From the product standpoint it may be possible that the marketers may not find a suitable celebrity to match the products brand personality.

We receive more than 3,000 commercial images a day, our subconscious absorbs more than 150 images and roughly 30 reach our conscious mind. It's because we find most of the ads similar and can't differentiate them. So, we remember those ads which are very interesting or associated with celebrities as they are the role models of society and connect with people. A Celebrity helps in forming association about the brand which helps in recall. Companies sometimes use celebrity endorsements to hide their inability to innovate. A better idea and innovative product is far better than shelling out money on celebrity endorsements as you may also lose out on some of the customers and your profit margins may also drop. Marketers can also use social media marketing as word of mouth as it is very prevalent in marketing communication and is cheaper to use.

## CELEBRITY ENDORSEMENT

Endorsement is a channel of brand communication in which a celebrity acts as the brand's spokesperson and certifies the brand's claim and position by extending his/her personality, popularity, stature in the society or expertise in the field to the brand. Celebrity endorsement is a special type of

advertisement which includes a famous person from the film fraternity, athletes and sports modelling world etc. it helps in promoting the product brand and also in increasing the sales of the product.

## WHO CAN BE A CELEBRITY?

If a person acts or performs something which gives spectacular results & is noticed by masses, that person has "done something" special that we and masses cannot do. He is regarded as a special person with some "extra" given by the "Almighty" above. We start feeling that he or she is great. We start celebrating all of his/her acts which produce success. If the success rate of that person is very high to "deliver" same results, he becomes a "CELEBRITY". It may be in the field of sports, cinema, theatre, social life, politics and science anything the act should be with good cause, positive results, morally good and acceptable results.

A celebrity is perceived as god by masses. They have tremendous mass following They pull the crowd by their mere presence. Celebrities are people who enjoy public recognition by a large share of a certain group of people.

## SCOPE OF A CELEBRITY ON THE INCUMBENT BRAND

Let us analyze the multiplier effect formula for a successful brand:

$$S = P * D * AV \text{ --the multiplier effect}$$

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 using a celebrity endorse is a means to an end and not an end in itself."

## THREE MAIN ASPECTS OF CELEBRITY SELECTION

➤ **Attractiveness of the celebrity:** This principle states that an attractive endorser will have a positive impact on the endorsement. The endorser should be attractive to the target audience in certain aspects like physical appearance, intellectual capabilities, athletic competence, and lifestyle. It has been proven that an endorser who appears attractive as defined above has a greater chance of enhancing the image/real line of the brand that he/she endorses.

➤ **Credibility of the celebrity:** This principle states that for any brand-celebrity collaboration to be successful, the personal credibility of the celebrity is crucial. Credibility is defined here as the celebrities' perceived expertise and trustworthiness. Since celebrity endorsements act as an external cue that enable consumers to sift through the tremendous brand clutter in the market, the credibility factor of the celebrity greatly influences the acceptance with



consumers.

➤ **Meaning transfer between the celebrity and the brand:**

This principle states that the success of the brand-celebrity collaboration heavily depends on the compatibility between the brand and the celebrity in terms of identity, personality, positioning in the market vis-à-vis competitors, and lifestyle. When a brand signs on a celebrity, these are some of the compatibility factors that have to exist for the brand to leverage the maximum from that collaboration.

**WHEN IS CELEBRITY ENDORSEMENT JUSTIFIED?**

- When done by the organisation having large capital to promote their brands like Coke and Pepsi
- When some big brand tries to enter into niche market and tries to target a particular class of customers E. g. Golf division of Nike with Tiger Woods ads.
- The brand essence matches with the celebrity's reputation and lifestyle.
- The market is saturated and commoditised.
- Brand is losing its credibility e.g. Cadbury introduced Amitabh Bachan to control damage done by the finding of worms to improve the image of the brand.

**WHEN IS CELEBRITY ENDORSEMENT NOT JUSTIFIED?**

- The owner of the product is a small company which can't bear the hefty fee charged by celebrities. This may also reduce profitability of the organisation.
- There is no surety of increase in sales of the product by introducing the celebrity.
- Innovation in the product is possible and the core product it is has featured can be differentiated from the competitors'.
- The company only wants to cash in on the current success of the celebrity without having any correlation with the brand.

**ADVANTAGES OF A CELEBRITY ENDORSING A BRAND**

Brands have been leveraging celebrity appeal for a long time. Across categories, whether in products or services, more and more brands are banking on the mass appeal of celebrities. As soon as a new face ascends the popularity charts, advertisers queue up to have it splashed all over. Remember the spectacular rise of Sania Mirza and Irfan Pathan in endorsements in a matter of a few months. The accrument of celebrity endorsements can be justified by the following advantages that are bestowed on the overall brand:

- **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. We had the 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.
- **Ensured Attention:** Celebrities ensure attention of the target group by breaking the clutter of advertisements and making the ad and the brand more noticeable.
- **PR coverage:** is another reason for using celebrities. Managers perceive celebrities as topical, who 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. Indeed, celebrity-company

marriages are covered by most media from television to newspapers (e.g. The Spice Girls and Pepsi)

- **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. Actress Catherine Zeta-Jones is used by T-Mobile and Elizabeth Arden. 007 Pierce Brosnan promotes Omega, BMW, and Noreico.
- **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.
- **Mitigating a tarnished image:** Cadbury India wanted to restore the consumer's confidence in its chocolate brands following the high-pitch worms controversy; so the company appointed Amitabh Bachchan for the job. Last year, when the even more controversial pesticide issue shook up Coca-Cola and PepsiCo and resulted in much negative press, both soft drink majors put out high-profile damage control ad films featuring their best and most expensive celebrities. While Aamir Khan led the Coke fightback as an ingenious and fastidious Bengali who finally gets convinced of the product's 'purity,' PepsiCo brought Shah Rukh Khan and Sachin Tendulkar together once again in a television commercial which drew references to the 'safety' of the product indirectly.
- **Psychographic Connect:** Celebrities are loved and adored by their fans and advertisers use stars to capitalise on these feelings to sway the fans towards their brand.
- **Demographic Connect:** Different stars appeal differently to various demographic segments (age, gender, class, geography etc.).
- **Mass Appeal:** Some stars have a universal appeal and therefore prove to be a good bet to generate interest among the masses.
- **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. Celebrity endorsement can sometimes compensate for lack of innovative ideas.

**DISADVANTAGES OF A CELEBRITY ENDORSING A BRAND**

The celebrity approach has a few serious risks:

- **The reputation of the celebrity may diminished after he/she has endorsed the product:** Pepsi Cola's suffered with three tarnished celebrities - Mike Tyson, Madonna, and Michael Jackson. Since the behaviour of the celebrities reflects on the brand, celebrity endorsers may at times become liabilities to the brands they endorse.
- **The vampire effect:** This terminology 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 brand. 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.
- **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



Tendulkar went through a prolonged lean patch recently, the inevitable question that cropped up in corporate circles - is he actually worth it? 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 he does too many advertisements. This may be termed as commoditisation of celebrities, who are willing to endorse anything for big bucks. Example, MRF was among the early sponsors of Tendulkar with its logo emblazoned on his bat. But now Tendulkar endorses a myriad brands and the novelty of the Tendulkar-MRF campaign has scaled down.
- 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 lity of

congruency between the persona of the celebrity and the image of the brand. Each celebrity portrays a broad range of meanings, involving a specific persona 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'.

### CONCLUSION

Celebrity endorsement is one of the marketing communication tools where the brand conveys its philosophy through an ambassador, who is praised by the masses and has the capability of influencing the purchasing decision made by consumers. Proper care must be taken by the organisations to select an apt celebrity for their brand who can convey the brand identity properly & lasting by In this changing world where competition is everywhere and marketers find it difficult to differentiate their product from the competitors'. Celebrity endorsement is really helpful if done in proper manner keeping in mind the product category and the status of celebrity. But, as knowledge and information accessibility of the consumers is increasing day by day the effect of advertisements is rapidly decreasing. Till the celebrity is performing well and company is not coming up with innovative products, expenditure on celebrity endorsement is worth it.



Year	Value
2000	104
2001	108
2002	112
2003	116
2004	120
2005	124
2006	128
2007	132