



A STUDY ON IMPACT OF CELEBRITY ENDORSEMENT IN BRAND BUILDING IN INDIAN PERSPECTIVE

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Abstract

In India today, the use of celebrity for advertising in companies has become a trend and a perceived winning formula of corporate image-building and product marketing. This phenomenon is reflected in the recent market research finding that 8 out of 10 TV commercials scoring the highest recall were those with celebrity appearances. Today 'celebrity endorsement' has attracted immense debate on whether it really contributes to the brand building process or whether it is just another tool to make the brand more visible in the minds of the consumers. Celebrity endorsement is a big market in India and continues to grow bigger. Celebrity endorsements now play an important role from the perspective of brand building. The objective of this study to find out the relation between brand and celebrity endorsement for creating brand loyalty.

Key Words: *Celebrity Endorsement, Brand, Purchase behaviour, Brand loyalty.*

Introduction

Celebrity branding or celebrity endorsement is a form of advertising campaign or marketing strategy used by brands, companies, or a non-profit organization which involves celebrities or a well-known person using their social status or their fame to help promote a product, service or even raise awareness on environmental or social matters. Marketers use celebrity endorsers in hopes that the positive images of the celebrity endorser of the brand will also be passed on to the products or the brand image associated with the celebrities. Celebrity endorsement is usually commonly used by fashion or beauty brands, but a non-profit organization relies on celebrities as well, as celebrities have mass communication skills which can attract people's attention and is helpful in reaching a wider audience to raise their awareness towards a certain organization or an issue.¹ Thus, making celebrities effective fundraisers.

Celebrity branding is also known as celebrity endorsement, and is a form of publication by portraying a well recognized sports or entertainment celebrity to be a brand ambassador for a company or firm, and by using their social status to promote a service or product. Celebrity endorsement has been established as one of the most proffered tools of advertising. It has become a trend and perceived as a winning formula for product marketing and brand building. It is very easy to have a celebrity for a product or brand but it is very tough to establish a very strong association between the product and the endorser because the objective is to build a brand not the celebrity. 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.

MacCracken (1989) illustrate that a celebrity endorser is a public figure who has great popularity representing a brand in the advertisement. Agrawal and Kamakura (1995) reported that about 20% of advertisement use one form or another of celebrity endorsement in their promotional strategy.

Top Indian celebrities in 2017

1. Shah Rukh Khan-Tag Heuer, Airtel, Videocon, Emami, Hyundai, Pepsodent, Dish TV, BigBasket .,
2. Virat Kohli-Manyavar, Puma, Fair And Lovely, Vicks, MRF.
3. Deepika Padukone-Tissot, Yamaha, Kingfisher, Lux .
4. Salman Khan-Thumbs Up, Revital, Relaxo.
5. Priyanka Chopra-Samsung, Dabur Amla Hair Oil, Nikon Camera Ad.
6. Ranbir Kapoor-Philips LED, Docomo, Pepsi, Nissan.
7. Ranveer Singh-Colgate, Makemytrip, Chings, Set Wet, Vivo, Jack & Jones.
8. Hrithik Roshan-Coca Cola, Liberty Shoes, Sony Ericsson Mobiles.



9. MS Dhoni-Aircel, Siyaram Suits, TVS Star City.
10. Amitabh Bachan-Dr. Fixit, Cadbury, Navratna Oil, Parker Pen.

It is also important to appreciate that just because an individual is famous and considered a celebrity, he/she might not necessarily be an effective endorser. As said earlier, 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 boomerang. If properly matched it can do wonders for the company, but it also has a number of potential problems like failure of celebrity in his profession, controversy, etc. Today many marketers are enticed by the selling power of the celebrities and they are crazy about signing the popular celebrities to endorse their products and brand and spending big bucks on them.

Objectives of Celebrity Endorsement

Establish the product need - Establishing a need for a product or a product category is the necessary first step. This is more important in new-to-world category of products. In Indian context, consider the advertisement for Polio Immunization drive - the TV advertisement featured Amitabh Bachan telling that immunization is a must for every child - while people suffering from polio are shown in the background along with healthy kids. This advertisement used a celebrity to create the need for polio immunization.

Create Brand Awareness - Once the need for a product is established, customers must be able to associate the brand with the product category. For example iPod is strongly associated with portable MP3 players, Nike with sports shoes etc. A classic example of this is Nike's use of Michael Jordan advertising for Nike. This advertisement instantly created a strong association of Nike with basketball shoes.

Set customer expectations - Brand value comes from the customers experience with the product. If the product meets or beats his expectations, then a positive brand image is created, else a negative brand image is created. Therefore it is essential to set the customer expectations accordingly.

Create a purchase intention - These are marketing promotion advertisements - Buy one, get one free, or get additional discounts if you buy within a particular date etc.. The sole purpose of such communication messages is to encourage customers to buy immediately or within a short period after seeing. Use of celebrity endorsements to create a purchase intention has been very limited. This is mainly because such advertisements adversely affect the personality brand value of the celebrity. Being associated with a discount deal is not favourable image for the celebrity and the customer.

Types of Celebrity Endorsements

1. Testimonial: The celebrity acts as a spokesperson for the brand.
2. Imported: The celebrity performs a role known to the audience.
3. Invented: The celebrity plays a new, original role.
4. Observer: The celebrity assumes the role of an observer commenting on the brand.
5. Harnessed: The celebrity's image is integrated with the ad's storyline.

Potential Advantages	Potential Hazards
Increased attention	Expensive
Brand introduction	Image change and loss of public recognition
Image polishing	Overexposure
Brand repositioning	Overshadow the brand
Underpin global campaign	Public controversy



The argument for Celebrity -The accrument of celebrity endorsements can be justified by the following advantages that are bestowed on the overall brand:

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. 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.
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.
3. **PR coverage:** is another 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.
4. **Time saving:** Celebrity is able to build brand credibility in a short period of time.
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.
6. **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.
7. **Demographic Connect:** Different stars appeal differently to various demographic segments (age, gender, class, geography etc.).
8. **Mass Appeal:** Some stars have a universal appeal and therefore prove to be a good bet to generate interest among the masses.
9. **Providing testimony:** Another benefit of using celebrity endorsers is that s/he can provide testimony for a product or service, particularly when the product has contributed to their Celebrity. The more familiar an endorser, the more likely consumers are to buy the endorsed product.

The argument against Celebrity Endorsement-The celebrity approach has a few serious risks:

1. **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, 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.
2. **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 could be the Castrol commercial featuring Rahul Dravid.
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 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.
4. **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.



5. **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.

Celebrity endorsements – Do's and Dont's--All brands must be aware of some of the important aspects of celebrity branding as discussed below:

1. **Consistency and Long-Term Commitment:** As with branding, companies should try to maintain consistency between the endorser and the brand to establish a strong personality and identity. More importantly, companies should view celebrity endorsements as long-term strategic decisions affecting the brand.
2. **Three Prerequisites To Selecting Celebrities:** Before signing on celebrities to endorse their brands, companies need to ensure that they meet three basic prerequisites, namely the endorser should be attractive, have a positive image in the society, and be perceived as having the necessary knowledge (although it might be difficult for a celebrity to meet all three prerequisites).
3. **Celebrity–Brand Match:** Consistent with the principles discussed earlier, companies should ensure a match between the brand being endorsed and the endorser so that the endorsements are able to strongly influence the thought processes of consumers and create a positive perception of the brand.
4. **Constant Monitoring:** Companies should monitor the behaviour, conduct and public image of the endorser continuously to minimize any potential negative publicity. One of the most effective ways to do this is to ensure that celebrity endorsement contracts are effectively drafted, keeping in mind any such negative events.
5. **Selecting Unique Endorsers:** Companies should try to bring on board those celebrities who do not endorse competitors' products or other quite different products, so that there is a clear transfer of personality and identity between the endorser and the brand.
6. **Timing:** As celebrities command a high price tag, companies should be on the constant lookout for emerging celebrities who show some promise and potential and sign them on in their formative years if possible to ensure a win–win situation.
7. **Brand over Endorser:** When celebrities are used to endorse brands, one obvious result could be the potential overshadowing of the brand by the celebrity. Companies should ensure that this does not happen by formulating advertising collaterals and other communications.
8. **Celebrity Endorsement Is Just A Channel:** Companies must realize that having a celebrity endorsing a brand is not a goal in itself; rather it is one part of the communication mix that falls under the broader category of sponsorship marketing.
9. **Celebrity ROI:** Even though it is challenging to measure the effects of celebrity endorsements on companies' brands, companies should have a system combining quantitative and qualitative measures to measure the overall effect of celebrity endorsements on their brands.
10. **Trademark And Legal Contracts:** Companies should ensure that the celebrities they hire are on proper legal terms so that they don't endorse competitors' products in the same product category, thereby creating confusion in the minds of the consumers.

Conclusion

This paper concludes that there are many benefits of celebrity endorsement. For brand building celebrity play an important role. Celebrity endorsement has been established as one of the most proffered tools of advertising. It has become a trend and perceived as a winning formula for product marketing and brand building. It is very easy to have a celebrity for a product or brand but it is very tough to establish a very strong association between the



product and the endorser because the objective is to build a brand not the celebrity. Companies should ensure that the celebrities they hire match with their brand at 360 degree.

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