
Celebrity Endorsements : A Technical Note

Dr. Kisholoy Roy

Adjunct Faculty, EILLM, 6 Waterloo Street, Kolkata-700069

E-mail: krish301@gmail.com

Abstract

In the era of contemporary marketing, marketers have been found to pursue various differentiated promotion strategies for their brands in order to get rid of the communication clutter. Of the various strategies pursued, it is the celebrity endorsement that is the oft-taken route for it imparts instant limelight to a brand. However, there are certain cons of this promotion strategy and the marketer needs to be wise enough in executing this strategy effectively. The present article talks of the importance of endorsements in modern marketing warfare and the ingredients that contribute to effective endorsements. A couple of brand endorsement models have been discussed along with the observed effects of endorsements. The article is meant to understand brand endorsements in a vivid and detailed way and is supposed to provide a certain direction when it comes to pursuing it as a marketing strategy.

Keywords : Celebrity Endorsements, Brand Endorsements

1.0 Introduction

Celebrities often refer to those personalities who enjoy significantly higher amount of public adulation compared to the common people. They are generally known for their achievements in a domain that is distinctly different from that of the product class endorsed. In the present age of marketing communication, it has often been noticed that audiences and readers consciously try to evade advertisements while flipping through newspapers or magazines or while they are listening to radio or watching television. It is due to this reason that many marketers have adopted the strategy of celebrity endorsements for brands which is a form of differentiated communication and is of great significance for brands being advertised. Celebrity endorsements have facilitated the activity of marketers to capture the perceptual territory of potential customers and it is further found that celebrities often catalyze brand acceptance and offer momentum to brands by endorsing their intrinsic value.

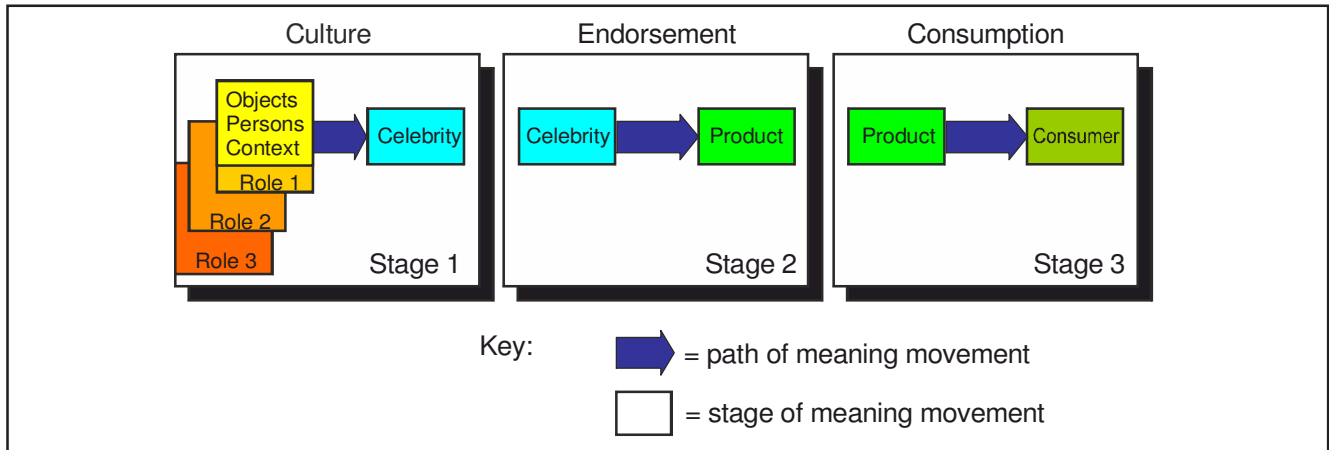
The proliferation of brands and the competition on the market of goods and services have necessitated the usage of celebrity endorsements across the globe. Celebrity endorsements have become a prime brand communication strategy and this has aided the sale and promotion of goods and services across the globe (Nelson et al, 2012). Over the years, marketers have been found to make all possible efforts in promoting brands and grab the mind share of customers. One effective way that they have observed to seek customer attention and develop positive associations not just to influence brand recall but also to induce trial is celebrity endorsement (Khatri,

2006). Marketers have been found to introduce celebrities in advertisements through testimonials, endorsements, as actors or as a spokesperson for some brand. It has been further found that celebrity endorsement as an exercise works well for products with high price-production cost margin and large customer base. In other words, they are more suited for nationally marketed brands than for locally marketed ones (Clark & Horstmann, 2005). In the contemporary marketing arena, celebrity endorsements have been considered as a preferred tool of advertising by several marketers and have been largely perceived as a winning formula for both product marketing and brand building (Patel, 2009). For marketers, it's a challenge to establish a strong association between a product and a celebrity because at the end of the day the endorsements are aimed at building brands and not build celebrities.

2.0 Prevalent Models of Celebrity Endorsements

McCracken's Meaning Transfer Model explains the process of celebrity endorsements in an effective way. He observes that the effectiveness of the endorser is dependent on the meaning he/she brings to the endorsement process. Moreover, the effectiveness of the endorser arises from the cultural meanings with which celebrities are endowed. The process of meaning transfer involves three stages viz. formation of celebrity image, transfer of meaning from celebrity to brand and finally from the brand to the consumer as highlighted in **Exhibit-I**.

Exhibit-I : McCracken's Meaning Transfer Model



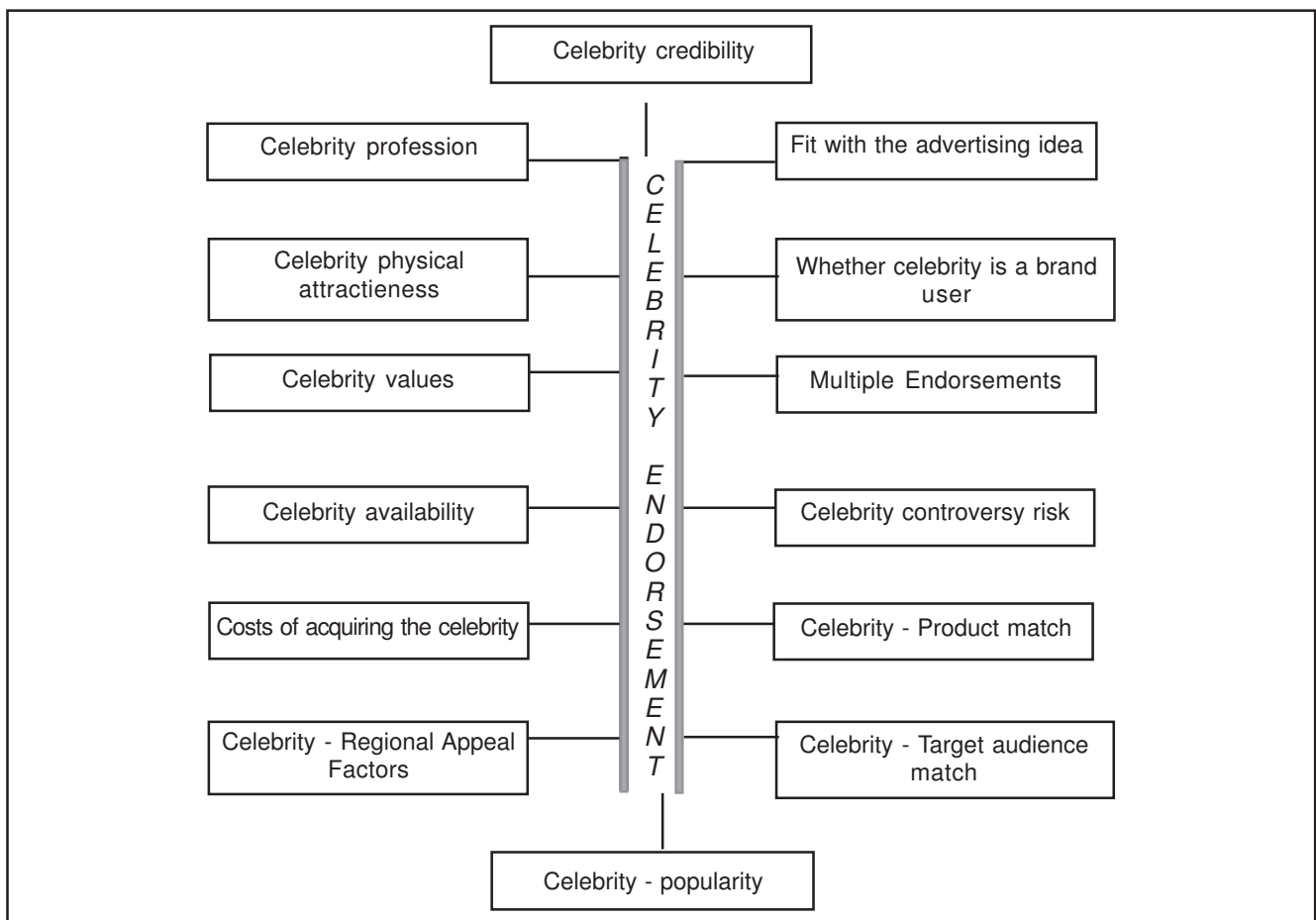
Source : http://www.indianmba.com/occasional_papers/op88/op88.html

The success of brands through celebrity endorsements depends upon the effectiveness of 14 attributes related to celebrities being considered for an endorsement. They together are the 14 point model for celebrity endorsement as highlighted in **Exhibit-II**. It is observed that greater the score of each attribute, better are the chances of an endorsement clicking for a brand.

The celebrity should be reinforcing the advertising idea for a brand and should make it more relevant to the target audiences of the brand. Examples of celebrity-brand fit with the advertising idea are Fardeen Khan – Provogue and Richard Gere and VISA to be cited that were innovative in approach, the confluence of celebrity and brand was impactful and 360 degree reinforcement was witnessed in each of the examples.

First of all in the context of celebrity endorsements, the celebrity concerned should fit into the advertising context.

Exhibit-II : The 14 Point Model for Celebrity Endorsement Success



Source : <http://www.coolavenues.com/marketing-zone/impact-of-celebrity-endorsements-overall-brand>

Celebrity-target audience match is the next important parameter. The target audiences need to relate to the celebrity endorsing a product for credibility to be built up and the consuming community to be successfully pursued. The erstwhile television actress Smriti Irani endorsing the WHO recommended ORS campaign in India is an example where mothers could associate with Irani and thus a relevant connection between the celebrity and the target audiences was established.

Every individual stands for a certain set of values. Celebrities are no different and hence it has been often observed that the values of the celebrity get transferred to a brand being endorsed which lends suitable credibility to the brand and generates brand recall. However care should be taken while selecting celebrities so that wrong values do not get attached to a brand. Tabu endorsing Tetra packed milk or Amitabh Bachchan and Sachin Tendulkar endorsing the Pulse Polio campaign are examples where the right set of values were transferred to a product or an idea.

When it comes to marketing communication, costs of communicating a brand idea has to be borne in mind. At the end of the day, companies are to make profits if they have to sustain in the market and so along with zeroing on a viable celebrity, they need to focus on a celebrity who is cost effective too. Celebrities like Shah Rukh Khan, Amitabh Bachchan, Sachin Tendulkar and M S Dhoni are costly to acquire and hence a proper analysis of their need to endorse a brand needs to be understood by companies.

Companies of late have been found to go for different celebrities to endorse a brand across different regions of the country to cash in on the popularity a celebrity commands in a region. Thus Mannappuram Gold loan has Akshay Kumar at the national level and Mithun Chakraborty endorsing the brand to the people in the eastern region of the country.

There needs to be a suitable overlap of celebrity personality and brand personality. This overlap is found to enhance the brand equity of the product being endorsed. A suitable match of the characteristics of product and celebrity is what the celebrity-product match is all about. Examples of Katrina Kaif and Nakshatra diamonds or Ranbir Kapoor and Pepsi can be cited here.

While signing celebrities for brand endorsements, controversial nature of celebrity is one aspect that companies need to carefully analyze. Negative image of the endorser often leads to a negative brand perception among the target audiences for a brand. Internationally, many brands suffered when Tiger Woods, the internationally acclaimed golfer, was involved in a scandal.

There are instances when a brand requires a certain celebrity for endorsement to further its prospects but then the said celebrity might not be available either because of reasons related to endorsement fees or a celebrity might be already into endorsing a rival brand. This has often been the case with endorsing soft drinks.

Physical attractiveness of the celebrity is one very important component that defines success of celebrity endorsements. The attractiveness of the celebrity captures the eyeballs and then draws them to the brand by transferring the attribute of physical attractiveness to the brands being endorsed. John Abraham and Garnier for Men or Aishwarya Rai for L'oreal are some examples that can be cited.

Consumers today do not buy brands until and unless they are convinced about its utility. Brands are to be made believable through endorsements and hence celebrity credibility is an important aspect to be taken care of. Trustworthiness of a celebrity has an indelible effect on brands which go on to define their sustainability. Amitabh Bachchan endorsing Cadbury Dairy Milk and Parker Pens are examples that can be cited.

The effect of multiple endorsers on brands is often debatable. While some say that no negative effect on brands happens because of them being endorsed by a multiple brand endorser, there are many who feel that multiple brand endorsements by a celebrity confuse people and reduce the popularity and acceptability of a brand. In India, brand endorsers like Amitabh Bachchan, Sachin Tendulkar and M S Dhoni are some who are found endorsing a number of brands and their positive effects on each and every brand are debatable.

When celebrities endorse brands they use, the credibility to the brands are automatically imparted. It works as a testimonial in fact since the target audiences find that here is a personality of repute recommending a brand that he/she has used and found valuable as a product. Thus when Silpa Shetty endorses Prega News or Aishwarya Rai endorses the idea of pledging one's eyes post death, such endorsements have far-reaching and positive effects.

To make endorsements effective, certain key questions need to be answered well like are the celebrity endorsements program result driven, how to quantify the value generated by celebrity endorsements and are customers able to connect the brand with the celebrity? Alignment of the celebrity endorsement with the business objectives of a company needs to be there which means that attributes of a celebrity need to be intrinsically valuable and aligned with the brand and the company behind it.

3.0 Ingredients of Effective Endorsements

Brand endorsements have the power to create significant brand differentiation in the cluttered media environment and it is due to this reason that researchers have felt the requirement to assess the effectiveness of this promotion technique (Gnanapragash & Sekar, 2013). One effective way to assess the potential of endorsements is the recall concept termed as celebrity-aided brand recall and brand-aided celebrity recall. Celebrities and brands are selected for the said purpose of measuring the recall effect and it is found that across product categories there are instances where a celebrity facilitates the recall of a brand and vice versa.

Effective endorsements across product categories can happen when there is clear articulation between the brand promise and the brand personality (Agrawal & Dubey, 2012). Also the communication objectives of a campaign need to be fixed. The focus should be on the synergy between the brand and the image of the celebrity. Further, the communication to be made by the celebrity needs to be clearly stated by the company. Attributes of a celebrity should be intrinsically valuable and aligned with the product, brand and company. Companies in the present era are required to manage celebrities as portfolios and need to redistribute the resources and marketing efforts to those celebrities who have the maximum potential to enhance the value of the product without being too costly for the company. Selecting celebrities for brands without doing much research have often proved detrimental for the prospects of several brands and companies. There have also been issues of overshadowing where a celebrity endorser has been too big for the brand being endorsed because of which the endorsement exercise has failed. There are also issues like multiple brand endorsement by a celebrity and negative publicity of the celebrity that have contributed to the failure of endorsements.

It has been observed that celebrities who endorse a range of products are perceived by consumers as less credible compared to those celebrities who endorse one brand (Silvera & Austad, 2004). Further, there is always a doubt in the mind of consumers regarding whether a celebrity has true liking for the product he/she is endorsing some of the key predictors of celebrity endorsements viz. celebrity performance, negative information, celebrity credibility, celebrity expertise, celebrity trustworthiness, celebrity attractiveness, celebrity familiarity, celebrity likeability and celebrity-product fit (Amos et al, 2008). Among the predictors, it was observed that negative celebrity information had the most influence on advertising effectiveness followed by celebrity trustworthiness and then celebrity expertise. Celebrity performance was the least influential endorser source effect. The relative importance of the predictors offered a clear understanding that companies need to be extremely particular about selecting celebrities for endorsements since any negative celebrity information can have extreme adverse effects on a brand being advertised.

A foreign celebrity or foreign brand name can enhance or may prove detrimental for a brand in terms of consumer attitude, product quality perception and purchase intention in another country (Chao et al, 2005). A well-liked celebrity paired with strong country equity will result in higher consumer evaluation compared to a non-celebrity linked to weak country equity. Product quality evaluation and purchase intention are influenced likewise. The country of origin effects are stronger on consumer attitudes and quality perceptions compared to purchase intentions. There are certain instances where even ads featuring non-celebrities have brought in better returns for the brand compared to celebrity endorsements in case the country of origin effects were negative in the later case. It has been observed that positive attitudes towards the endorser trigger positive attitudes towards the

endorsed product. The elements of physical attractiveness associated with the product will be associated with positive attitudes towards the endorser and this contributes to predicting attitudes towards the advertised product.

4.0 Observed Effects of Celebrity Endorsements

Marketers opine that celebrities do have an effect on the credibility of brand claims and they do contribute in enhancing the recall of an advertising message apart from lending positivity to a brand (Anjum et al, 2012). A study to examine the reasons for using celebrity endorsements by marketers have revealed that endorsements contribute to brand equity and it further highlighted that consumers mostly perceived endorsements to be reliable. Endorsements have facilitated recall of brands and consumers have often developed positive associations with brands and this has in turn influenced the demand for a brand.

Evaluations on celebrity credibility dimensions vary based on the positive and negative mood states of the target audiences. The evaluations have also varied based on whether the celebrities belong to the emerging category or to the matured category. When this study was conducted on celebrities from cricketing fraternity, it was observed that a matured cricketer was evaluated favorably on the trust and expertise dimension whereas an emerging cricketer was given high ratings by respondents on the attractiveness dimension.

Celebrity endorsements across product categories have become a trend and are considered an effective tool for marketing of products and brand building (Mukherjee, 2009). It is easier to choose a celebrity than to establish a strong association between a product and its endorser. A certain relationship exists between celebrity endorsements and brands and between endorsements and consumer buying behavior and how consumers make brand preferences. Celebrity endorsements are to be considered a two-edged sword which if used effectively can offer benefits to brands or else can backfire.

There are certain attributes associated with a celebrity that contribute to the 'willingness to buy' factor among the potential customers (Zahaf & Anderson, 2008). Endorsers do influence the willingness to buy among the target audience but then the mere presence or absence of a celebrity is not the factor but the psychographic profile of the celebrity endorser contributes to purchase intentions among the potential customers.

The use of celebrities as spokespersons in advertisements involves a significant investment in intangible assets by a sponsoring company (Agrawal & Kamakura, 1995). It is considered as an investment that is hoped by the management of a company to be taken care of with greater future sales revenues and profits. The impact of celebrity endorsement contracts on the expected profitability of a firm has been studied using event study methodology. Event study methodology generally measures the magnitude of the effect that an

unanticipated event has on the expected profitability and risk of a portfolio of firms associated with the event. A celebrity endorsement contract is widely publicized in the business press and it is used as information by market analysts to evaluate the potential profitability of endorsement expenditures.

There are certain and dysfunctional effects of brand endorsements (Nelson et al., 2012). Celebrity endorsements have been found to influence the feelings of consumers in general apart from influencing the attitudes of consumers towards brands and advertisements. One of the functional effects of endorsements is that it helps to maintain consumer attention and recall. In the context of endorsements, consumers in general expect congruity between the endorser's perceived image and the type of product being endorsed by the celebrity. Another functional effect of celebrity endorsement is that it provides testimony for a product or service. A new brand can benefit greatly by associating with a celebrity apart from attending the attention and inquisitiveness of consumers. As far as the dysfunctional effects of celebrity endorsements are concerned, a wrong celebrity choice can actually become a liability for a brand. The vampire effect is another pitfall associated with celebrity endorsements. It is about a celebrity overshadowing a brand. In case there is lack of congruency between a celebrity and a brand, audiences have often been found to recall the celebrity but not the brand. Inconsistency in the professional performance of a celebrity has also been found to hamper the prospects of a brand.

Celebrity endorsements do have a significant impact on customer perceptions and purchase intentions with respect to their physical attractiveness, source credibility and congruence (Zafar & Rafique, 2012). Celebrities have been found to draw customer attention in a cluttered marketing environment by exhibiting attributes like trustworthiness and likeability. The overall image of a celebrity along with the celebrity-product match has been found to enhance brand recall among customers. Endorsements have been found to enhance the sales of a company. When a customer perceives physical attractiveness, credibility and match between celebrity and product as favorable, he/she is actually inertly being influenced to like that product and these results in the purchase of the product.

Celebrity endorsements have been found to influence a firm's profitability in three ways, viz. directly through costs, directly through demand in the market in which the ad appears and indirectly through demand in the other market (Clark & Horstmann, 2005). Endorsements that enhance recall for products tend to generate higher profit for firms and so are more effective than endorsements that enhance valuation. Celebrity endorsements are also valuable in situations in which coordination across different consumer groups is valuable. Finally, it is understood that celebrity endorsements are a cost effective way to achieving large advertising reach in many markets.

Negative publicity related to a celebrity is one area of concern apart from the issue of a celebrity endorsing multiple brands at one point of time. Diminishing return on investment has often been observed by marketers in the later case (Roberts, 2009). In case of multiple endorsements by a celebrity, consumers are often able to recall two to three brands at a point of time while they forget the rest. While the problem with multiple endorsements is profound in continents like North America and Europe, it is definitely becoming a major concern for the marketers in India with certain celebrities endorsing myriad brands at a point of time.

5.0 Conclusion

In the context of endorsements, the perceived credibility of the spokesperson and image fit, the credibility of the endorsement setting and the risks of overshadowing and over-endorsement involved are some of the important aspects that need to be considered by marketers before they adopt celebrity endorsements as a promotional tool (Temperley and Tangen, 2006). Due to multiplicity of media channels and the rapid proliferation of brands, advertisers have felt the need to go for differentiated promotional strategies like celebrity endorsements. Celebrity endorsement as a promotion technique for brands has its own set of strengths but then there are certain caveats that need to be observed while deciding in favor of brand endorsements by celebrities. The choice of celebrities and their fit with the product being advertised and the market being targeted is absolutely essential. Marketers should aim at building the equity of their brands through endorsements and not end up building the equity of celebrities. Marketers need to refocus their efforts in making their brands more appealing, more affordable and more easily available. They are hence required to develop more attention grabbing, interesting and compelling appeal for their brands. Investing in development of original creative ideas for brands that facilitates brand differentiation is considered a better ploy than investing in already well-paid celebrities.

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