



IMPACT OF CELEBRITY ENDORSEMENT ON SALES

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Abstract: *Celebrity endorsements have been one of the key marketing strategies that the companies have done. Celebrity endorsement is a big market in India and continues to grow bigger. However, in spite of prevalent use of celebrities for endorsement, not all celebrity endorsements have been successful. "Celebrity" refers to well known individual to the public like Actors, Sport man or any other popular person among the customers. The general belief among advertisers is that advertising messages delivered by celebrities provide a higher degree of appeal, attention and possibly message recall than those delivered by non-celebrities. Marketers also claim that celebrities affect the credibility of the claims made, increase the memorability of the message, and may provide a positive effect that could be generalized to the brand. So considering these points this paper is an attempt to know the impact of celebrity endorsed on sales. This study is also an attempt to know the reasons of using the celebrities in advertisements. The overall findings of the study reveal that celebrity endorsers has used by the companies for increasing sales. It has also showed that consumer think that celebrity endorsed advertisement are reliable and they have the knowledge. They are able to recall and retention of the product. Consumers feel associated and it has also helped in influencing the demand of the products.*

Keywords: *Celebrity Endorsement, Advertisements, Marketing Strategy, Brand Image.*

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INTRODUCTION

In today's competitive world consumers are exposed to thousands of voices and images in magazines, newspapers, and on billboards, websites, radio and television. "Advertisements that use celebrity endorsers enjoy high popularity among brand managers. Each year, companies spend vast amounts of money to convince celebrities to endorse their products and brands for instance; In India, approximately 45 percent of all televised commercials feature celebrities; in US, approximately 25 percent of all advertising campaigns employ the celebrity endorsers. This communication strategy benefits from the widespread belief that celebrities positively influence the image of the advertised brands, such that a key outcome is a favorable effect on brand image" (Erfgen, 2011). 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. 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. India is one country, which has always adored 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, footwear and beauty products. In the Indian context, it would not be presumptuous to state that celebrity endorsements can aggrandize the overall brand. 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.

WHO IS A CELEBRITY?

According to Oxford dictionary, celebrity means "a famous person". A person who is excelled in his/her field of action or activity. In our day-to-day activity, we perform many acts at home, at work place, on field in sports, in social life. But these acts may be daily routine or just "acts". It means that giving no extra-ordinary results, not noticed by anybody surrounding, and not taken into notice by Media. But 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 that "Almighty" above. We start feeling that he/she is great. We start celebrating his/her all acts which produce success. If the success rate for that person is very high to "deliver" same results, he becomes a "CELEBRITY". It may be in field of sports, cinema, theatre, social life, politics or science anything but something with some special results.

LITERATURE REVIEW

McCracken's (1989), in his article "Who is the Celebrity Endorser? Cultural Foundations of the Endorsement Process" states that a celebrity endorser is an individual who enjoys public recognition and who uses this recognition on behalf of a consumer good by appearing with it in an advertisement (marketing communication). Earlier studies evidences that, in general, celebrity endorsement influences the feelings of the consumers and can also influence the attitude consumers have towards the advertisement and attitude towards the brands, which can increase the purchase intentions and, consequently, increase sales. Friedman H.H. and Friedman L. (1979), in their article "Endorser effectiveness by product type" found the categorization of products into low and high involvement is based on the risk perceptions consumers have when purchasing products (which are significantly higher for high involvement products). Risk perceptions can be classified into four categories (1) Psychological risk, the fit between product image and self-image. (2) Financial risk is associated with the price of the brands/products. (3) Social risk, the fear of not belonging or not taking part to/in a reference group as a result of purchasing the 'wrong' product/brand. (4) Operational risk, the risk of buying a product that does not operate the way it should do. M. Gayathri Devi and Dr. C. Ramanigopal (2010), in their paper entitled "Impact of celebrity endorsement on Indian market" stated that Whether Celebrity endorsement has a positive or a negative impact on the brand is a debate that is open to interpretation. But till the time the corporate world continues to foot fancy bills of celebrity endorsers and till consumers continue to be in awe of the stars, the party is not likely to break up.

Tripp C Jensen T.D and Carlson L. (1994), in their article "Trust worthiness/ Credibility of celebrity endorsers" found that how much consumers trust the celebrity endorser to be credible. When a celebrity endorses one or two products it is significantly more trustworthy than a celebrity who endorses even more products. From the above review of literature, it



is found that the most of the earlier studies have focused on the association endorsement and consumers' intention to purchase, impact of celebrity endorsement on Indian market and endorsement for effectiveness of product type etc. But there is no evidence of study on effects of celebrity endorsement consumer buying behavior on brand especially in India. And, there is a need to through some lights on this area; therefore, this study has been undertaken.

OBJECTIVES OF THE STUDY

1. To study the factors for choosing celebrities in advertisement.
2. To study the factors that attracts consumers towards celebrity endorsement
3. To study the extent of influence celebrity endorsements have on general public.

RESEARCH METHODOLOGY

The primary data has been collected through structured questionnaire on Convenience sampling and the primary data was collected by the help of structured questionnaire and interviews from 250 respondents who belong to different educational, occupational and income group from the study area. The secondary data has been collected from different sources of literature like journals, magazines, textbooks and internet

IMPACT OF CELEBRITY ENDORSEMENT

The increasing number of endorsements throws a valid question to the consumers. Is there a science behind the choice of these endorsers or is it just by the popularity measurement? What are the reasons which lead to impact of celebrity endorsement on brands? Through research and analysis, this paper develops a 12 point model, which can be used as a blueprint criterion which can be used by brand managers for selecting celebrities, and capitalizes the celebrity resource through 360 degree brand communication, since our research proposes it as the foundation brick of the impact of celebrity endorsement. Our study reveals that the impact of celebrity endorsement is proportional to the 14 factors discussed in the model. The success of a brand through celebrity endorsement is a cumulative of the following 14 attributes. Greater the score of the below parameters, greater are the chances of getting close to the desired impact.

1) Celebrity-Target Audience Match- Smriti Irani endorsing the WHO recommended ORS Campaign in India. Indian mothers can associate with Smriti Irani through the facets she



projects on screen or in regular life which helps in developing a connect with the target audience since mothers medicate their children with ORS.

2) Celebrity Values- Tabu endorsing Tetra Packed Milk, Shabana Azmi campaigning for AIDS Awareness, Amitabh Bachchan & Shahrukh Khan campaigning for Pulse Polio or Aishwarya Rai appearing in the Donate Eyes campaign are few examples, which reflect the transfer of celebrity values to the brand, creating an impact that generates recall.

3) Costs of Acquiring the Celebrity- Recently, a newspaper report showed how cola firms had gone beyond their advertising budgets to get the best celebrities. Small Firms that use celebrities'

services run greater risks if they invest large amounts.

4) Celebrity Regional Appeal Factors- R. Madhavan endorsing Pepsi in southern India or Sachin Tendulkar endorsing in India are few examples of how celebrities are chosen to reach out to target audiences for brands in regional markets.

5) Celebrity-Product Match- Cyrus Broacha is the brand ambassador for MTV since both the celebrity and the brand are considered as friendly, young, mood boosting, humorous and outspoken. MTV's brand personality overlaps Cyrus Broacha's image as a brand. Some more examples of compatible celebrity product match in which celebrity brand attributes get transferred to the brand and increases the brand equity is of, Aishwarya Rai & Nakshatra, etc.

6) Celebrity Controversy Risk- The perfect example here is of Salman Khan and the controversy in which he crushed a man to death with his Pajero when he was driving under the influence of alcohol. Also, any act on the part of the endorser that gives him a negative image among the audience and goes on to affect the brands endorsed. The brand, in most instances, takes a bashing.

7) Celebrity Popularity- Celebrity Brand association like Garnier endorsed Tara Sharma & Simone Singh, Agni Diamonds & Riama Sen don't get much brand recall, and even if they do, it's difficult to attribute it to the celebrities' endorsing the brand. On the other hand, HPCL has had increased popularity and share of voice due to the endorsement of the brand through Sania Mirza.

8) Celebrity Availability- In case of various brands, there are situations in which they prefer to go without a brand face, since there is no brand-fit between the celebrities available and



the brand. Also, due to multiple endorsements by certain celebrities, brands refuse to adopt celebrity

endorsement since they fear dilution of the brand image.

9) Celebrity Physical Attractiveness- John Abraham endorsing Wrangler and Timex Sunglasses are some examples which portray the celebrities' physical attractiveness that helps create an impact.

10) Celebrity Credibility- The most important aspect and reason for celebrity endorsement is credibility. In a research carried out among 43 ad agencies and companies, most experts believed that the most important dimensions of credibility are trustworthiness and prowess or expertise with regard to the recommended product or service. To cite one of the most successful campaigns in which the celebrity's credibility has had an indelible impact on the brand and has saved the brand is of Cadbury's. After the worm controversy, Amitabh Bachchan's credibility infused into the brand through the campaign, helping it to get back on track. The campaign has won an award for the same.

ANALYSIS AND INTERPRETATION OF DATA

In the present era the advertisement plays an important role in branding. These advertisements may be of different types but the audio visual advertisements are the most effective to present the brand to the customer's. In this reference a certain set of questions is asked to different types of customer's to know the impact of brand ambassador on the image of brand and how it can be helpful for building a positive image of brand in minds of customer's.

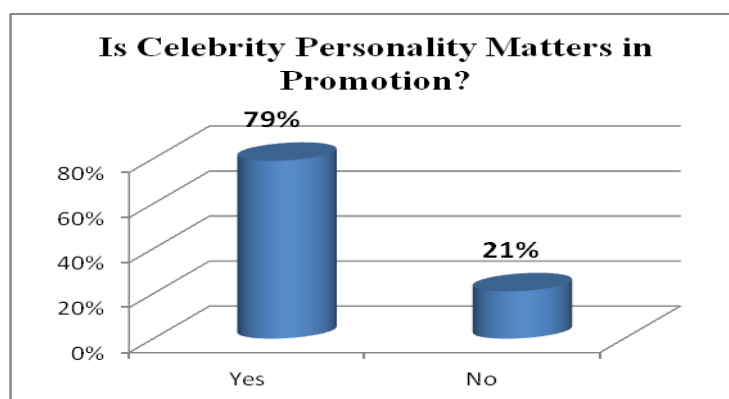


Fig 1: Brand ambassador personality matters in promotion of a brand

As per the discussion, interviews and questionnaire, it can be said that 79% of customers says that the personality of a brand ambassador helps in image building of brand and in contrast 21% customers said that the personality of a brand ambassador do not have significant effect on image of brand.

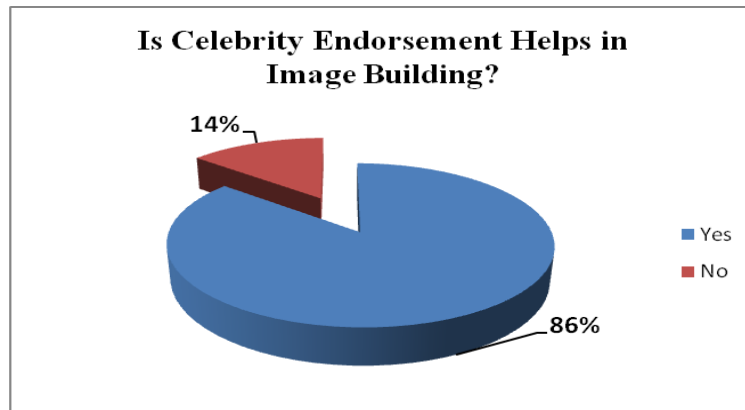


Fig 2: celebrity endorsement helps in image building

It can be seen that most of the customers said that impact of celebrity affects the brand image but few of them also said that there is no effect of celebrity endorsement on the image of brand. As per the responses it is clear that 86% of customers said that celebrity endorsement affects the image of brand but rest do not agree with that.

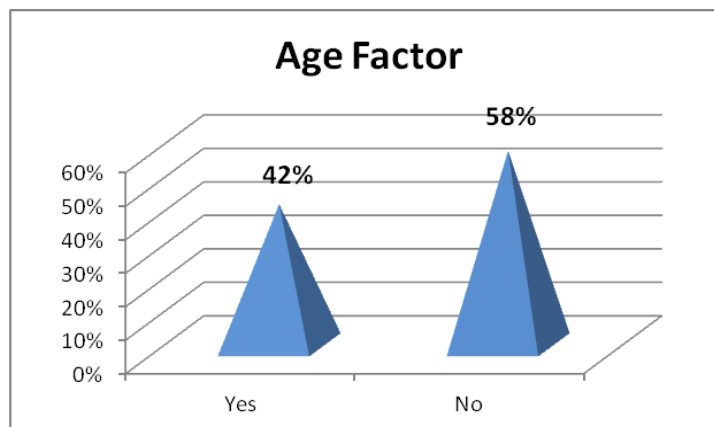


Fig 3: Age of celebrity can be a factor that affects customers to understand the brand

Most of the respondent said that age of a celebrity does not matter while promoting a brand but the values of a celebrity matters. As in general a brand covers different age group so the age of celebrity does not have significant effect on image building of brand but in few cases age can be a prime objective for image building of brand.

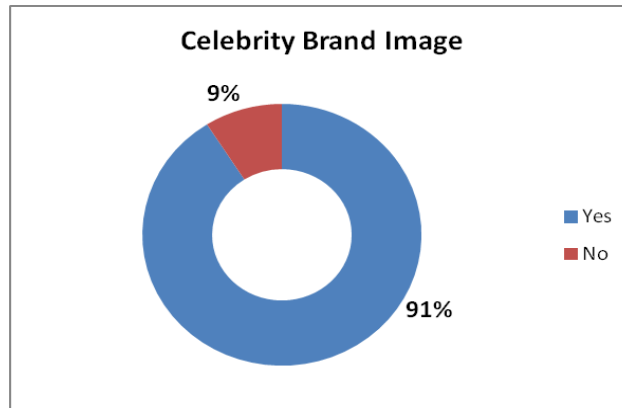


Fig 4: Celebrity and brand match among the customers

It is very important that a match between celebrity and brand. Approximate all of customers 91% said that the match between brand and celebrity must be there and in contrast only 9% customers said that there is no need of this. For example bike promotion must be done by any young celebrity and the promotion of chyavanprash must be done an old age celebrity.

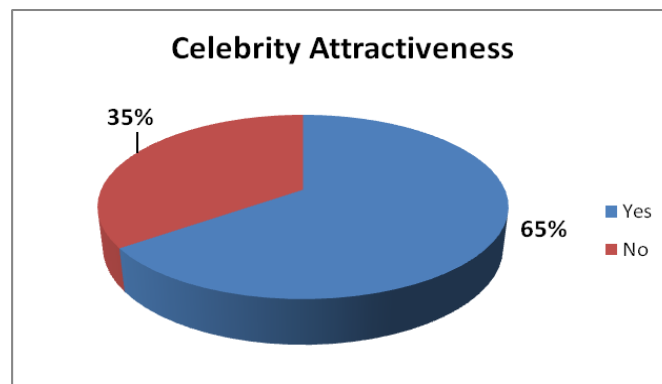


Fig 5: Physical attractiveness of celebrity matters for the customers

65% customers said that physical attractiveness is necessary for celebrity promoting the brand but in contrast 35% customers said that the physical attractiveness is not necessary. As per discussion it is clear that this is least criteria to choose celebrity for promoting the brand.

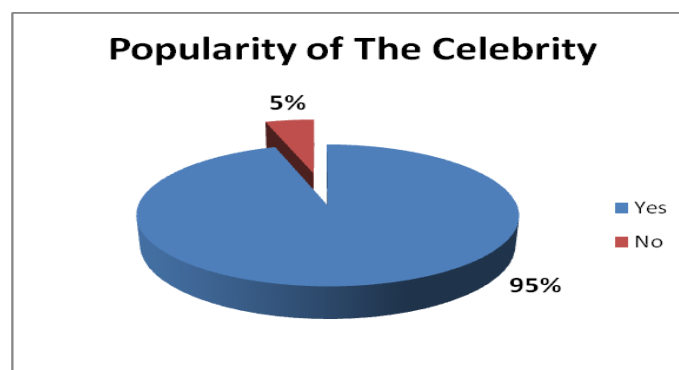


Fig 6: Popularity of celebrity affects the brand image

As per the analysis of questionnaire, and interviews, it can be said that the popularity of celebrity among the customers plays a vital role in image building of a brand. Only very few customers does not believe on that. As we can see that 95% of customers said that the popularity of celebrity is important, So that it can be concluded that popularity is an important factor to choose celebrity.

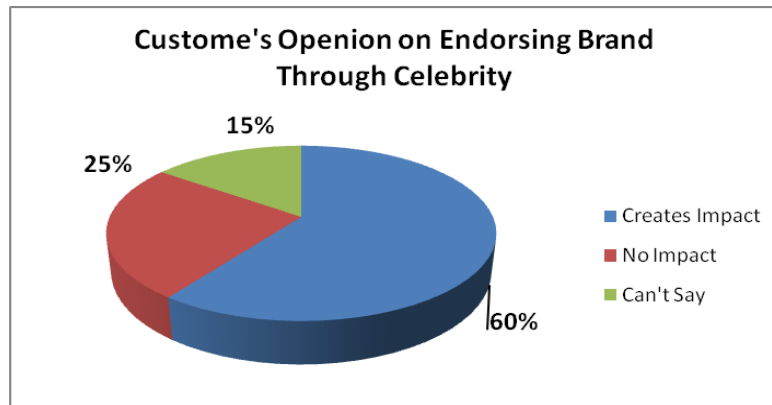


Fig 7: Customer's Openion on Endorsing Brand Through Celebrity

From the survey it was found that amongst 250 respondents, 60% of respondents would like to see their brand to be endorsed by a celebrity in advertisements, 25% of respondents opinion that no impact can be created by the celebrities rest of the 15% respondents are not sure whether an impact can be made or not. It can be inferred that more than 60% of the respondents want to select the products endorsed through celebrities.

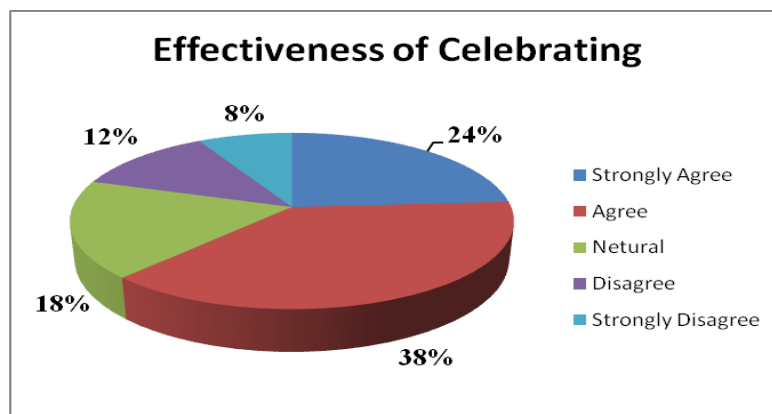


Fig 8: Effectiveness of Celebrating

From the survey it was found that 24% of the respondents strongly agree that celebrities create desire in the minds of the viewers after having seen the advertisements in different media, 38% simply agree with it, 18% of the respondents are cannot come to any conclusion and kept Neutral, 12% of the respondents disagree with this concept and only 8% of them



strongly disagree to the fact that celebrities are an effective tool of persuasion. But, majority of the respondents are in favor of the celebrity concept.

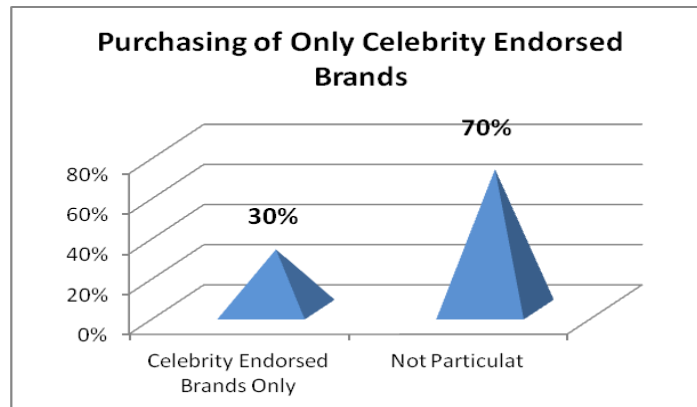


Fig 9: Purchasing of Only Celebrity Endorsed Brands

From the above table it can be inferred that 30% of the respondents are selecting those brands which are endorsed by any Celebrity but 70% of the respondents are not very particular when it comes to shopping. It means Celebrities are creating awareness but failed in creating the strong desire among consumers.

FINDINGS OF THE STUDY

On the basis of the study, following findings have been recorded as under;

1. Celebrity endorsement enhances product information and creates awareness among consumers. It helps them to recall the brands of the endorsed products.
2. The consumers of durable products have their motivational sources from need and product utility. The study revealed that the celebrities convincing endorsement motivates them to materialize the purchase of durables.
3. The consumers are induced significantly by the celebrity endorser when the target is on quality and price.
4. The purchase attitude is influenced by the celebrity endorsement factors, product evaluation and brand recognition.
5. Film stars are playing major role in creating an impact than Sports personalities and other models.

SUGGESTIONS

The report was linked to specific managerial suggestions regarding more effective use of celebrities to enhance brand equity:



1. 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.
2. 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.
3. Celebrity endorsements will be more effective when using a celebrity who is not already strongly associated with another product or service.
4. 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.
5. Celebrity endorsements will be more effective for less familiar brands.
6. Celebrity endorsers will be more effective for brands for which consumers have limited knowledge/facts.
7. Celebrity endorsers will be more effective when integrated across the elements of the marketing mix.
8. Caution in choice of celebrity endorser is warranted given the potential risk of tarnishing the brand’s image.

CONCLUSION

In conclusion, celebrity endorsement can be a truly profitable advertisement for retail companies to fully harness if the company knows about the star power and the image of the celebrity in relation to the power and the functions of the brand it wishes to be associated with, as long as those companies realize that the brand should be bigger than the celebrity itself, otherwise it will overshadow the product itself to the point of being obsolete, and it defeats the purpose of brand awareness and exposure. The companies will have to also consider when it is the right time to carry out the endorsement strategy based on the current season and trends, in other words, “strike it when the iron’s hot”. The customer perception and attitude towards the celebrities also has an influence in whether the brand is truly to be followed by consumers for brand recall, or just another ploy to gain more sales. In the end, be it to restore a failing brand, increase sales, or to further boost the image, celebrity endorsement can bring more glitz towards the retail brands marketing strategy.



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