

Effect of celebrity endorsement in advertisement marketing essay



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Introduction:

This paper studies and analyzes the effect of celebrity endorsement in advertisement on the people in India. In this era, people are exposed to different voices and images in magazines, newspapers, on billboard, television, radio as well as website. Each and every company tries their best to give a finest idea about their products and tries to tell more about the astonishing and different attributes of their product. And in this competitive market, the biggest concern for all the companies is to find the hook that will hold the consumer's attention. And to achieve consumer's attention, celebrity endorsers are one of the vital weapons used as marketing strategy. As, India is the second populated country in the world with huge diversity, it is very difficult for the marketers to target the entire consumer in a same platform. Besides, in India, celebrities are treated as idol and the public is overwhelming fascination with celebrities. Everyone follows their footprints; hence it gives an immense opportunity to the companies to endorse celebrity to market their product.

Companies spend millions of money to endorse celebrity as they believes celebrity adds on to the overall impact of the company and the endorsement of celebrity provides more visibility to the consumers. Even if consumers ignore all the advertisements in TV, radio, magazines and other media, the glamour of celebrity seldom goes unnoticed. Mostly companies, tries to relate and portrait their products with a celebrity image to reach closer to the consumer's mind. It has been seen that endorsing a celebrity to a particular product would not only increase the revenue of the company but more or less it will have a positive impact on the company or the brand

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(Amos, Holmes, & Strutton, 2008). Celebrity endorsement even helps the consumer to recognize the certain brand or product which enhances the brand's appeal for the certain product. It has been seen that endorsing celebrity for a brand is not a one-way process, the people consider celebrities to be a brand, which gives add on value to the brand or the product (Temperley & Tangen, 2006; Tantiseneepong, 2012). Also, research has shown celebrity endorsement gives an impact on the consumer's purchasing behavior. Consumers tend to give more attention, and have a better recall, evaluations and purchase intentions (Temperley & Tangen, 2006).

Literature Review

Who is a Celebrity?

Mostly, celebrities are those who have a huge public appreciation and recognition by a huge fan following. Celebrities generally have a high degree of public appearance and they generally are different from the general public. Mostly, celebrities have a different persona which cannot be measured but they are considered to have an extraordinary lifestyle (Khatri, 2006) .

Celebrities may be belongs to different fields. They may be an entertainer, a sports person, a businessman, or a politician. And it has been seen that different celebrities have a different way to appear in the public (Khatri, 2006).

The most famous celebrities of India are as below:

Entertainer-Shahrukh Khan(Actor), Amitabh Bachhan(Actor), Aishwariya Rai(Actor and Model), Lata Mangeshkar (Singer)

Sports Athletes- Sachin Tendulkar (Cricket), MS Dhoni (Cricket), Sania Mirza (Tennis)

Businessmen- Ratan Tata(Chairman of Tata Group), Vijay Mallya (Chairman of Kingfisher)

Politicians- Laloo Prasad, Sonia Gandhi

Celebrity Endorsers versus Created Endorsers

Companies mostly have either of two type of endorser: Celebrity endorsers or else created endorser. Always it has been seen that companies have a more control on the created endorser over celebrity endorser. It is easier for the company to build a character according to their needs which matches their brand, target audience and even ensure that the created character endorses a particular brand (Erdogan B. Z., Celebrity Endorsement: A Literature Review, 2010). And on the other hand, celebrity endorser is very uncertain, since sometime the product or the brand does not match with the celebrity's profile. Also, it is not assured that the celebrity is not going to endorse more than one product or brand. Hence, it has been seen that companies have limited control over the celebrity endorsers (Erdogan B. Z., Celebrity Endorsement: A Literature Review, 2010). Celebrities are mostly considered as effective endorser as they are views as highly likeable, trustworthy and most importantly reliable (Silvera & Austad, 2003); but research has shown that there might be variation in the effectiveness of celebrity endorsement. It is mostly linked to the relation between the <https://assignbuster.com/effect-of-celebrity-endorsement-in-advertisement-marketing-essay/>

product and the celebrity and mostly depends on how they “ fit” to each other. (Silvera & Austad, 2003).

Created endorsers effectiveness can be well explained through an example. In April 2009, mobile network operator Vodafone Group Plc. launched an innovative advertising campaign for Indian customers which caught immense attention to both the public and advertising experts. They had created a unique character instead of using celebrity for the marketing. They have created a character called: Zoozoo, which communicate the entire message to the customers (The Economics Times, 2012). And it has been seen that the new concept has connected to the Indian consumers very well and was a big success in India advertisement history to an extent that zoozoo merchandise, like zoozoo t-shirts , zoozoo mugs, zoozoo key-chains, zoozoo toys became quite popular in retail stores.

Celebrity Advertisement and its Positive Prospects

In the modern competitive era, in a market of high propagation of local, regional and international brands, celebrity endorsement was thought to provide a distinct differentiation. The marketers believe that celebrity endorsement gives an immense positive influence to buyer’s purchase decision (Madan, 2011). Moreover, it has been noticed that advertising which features celebrity would often seems to be more entertaining compare to others (Temperley & Tangen, 2006). Celebrities get the command to help advertisements stand outs from the surrounding disturbance and hence helps the brand to convey their message to the consumer in a better approach. Research has showed that celebrity endorsement is a potential

solution, when a company or a brand image is tarnished (Erdogan B. Z., 2010).

One of the many examples of celebrity endorsement and its positive effects on the brand was endorsing Amitabh Bachan, bollywood superstar, for Cadbury India Ltd. After the awful incident of worm infestation controversy in the year 2002, Cadbury India, the country's largest chocolate major, has roped in superstar Amitabh Bachchan to endorse its brand and announced a new packaging for its flagship Cadbury Dairy Milk (CDM) in an attempt to regain consumer confidence after the disastrous worm infestation controversy. The worm infestation controversy adversely impacted Cadbury's sales by around 3-5% in the last quarter of 2003. Chocolates sales fell sharply by 3% in October 10% in November. The management decided to endorse Amitabh Bachchan who is a universal appeal and they believed that his endorsement of CDM would help their objective of increasing chocolate consumption among all ages (Majumder, Case Study-1 Cadbury Dairy Milk Chocolates: How Celebrity Influence and Changes Consumer Perception, 2010). Amitabh Bachchan endorsed and promotes the brand for two years. With time it has been seen that endorsing of a super star made a positive impact on the chocolate consumption among all ages all over India (The Economics Times, 2004).

Celebrity Advertisement and its Negative Prospects

In many cases it has been seen that there is high risk involve in endorsing a celebrity with a brand. Sometime Negative information about the celebrity may impact on the consumer evaluation for the certain brands. Research shows that when a brand endorses a celebrity, there is a possibility that the <https://assignbuster.com/effect-of-celebrity-endorsement-in-advertisement-marketing-essay/>

negative information get more published about the celebrity at the time of advertising campaign (Till & Shimp, 1998). The company or the brand wants to associate their name with the celebrity and put the good that is known about the celebrity into their name. In that case, single negative talk about the celebrity can ruin the company or the brand name which are closely associated with each other (Hood, 2012).

The biggest example for the negative impact of celebrity endorsement is: The Tiger Woods scandal in 2009. Tiger Wood is a world renowned golf player who at the time was associated with six different companies out of which three are sports related companies. The companies he was associated are Electronic Arts, Nike, Pepsi, Procter & Gamble (Gillette), Accenture, and AT&T. The scandal shredded his private, guarded persona. Along with him, the companies associated with Tiger Wood had a massive loss. Because of the scandal, it was reported that the investors associated with the stock of the companies had a loss up to \$12 Billion. This shows that endorsing a celebrity to the brand is a high risk (Hood, 2012).

Selecting the ‘ Right’ celebrity

Selecting an appropriate person for the product or the brand is an important, yet very difficult. Marketers give immense attention on selecting the right celebrity which connects with the product well. It has been seen that different theories have been proposed for the methodology of selecting right celebrity and the entire process of how these celebrities influence the mind of consumers (Dash & Sabat, 2012). Out of different theories, the commonly used are ‘ Source Credibility Theory’, ‘ Source Attractiveness model’ and ‘ Meaning Transfer Theory’. These theories are originally produced prepared <https://assignbuster.com/effect-of-celebrity-endorsement-in-advertisement-marketing-essay/>

for the study of communication and later used in endorsement process for selecting right celebrity (McCracken, 1989).

The Source Credibility Theory

This theory mostly describes about the acceptance of the advertisement by the audience and mostly focus on the 'Expertness' and Trustworthiness' of the advertisement. This theory assists the audience to evaluate the product and accept the concept (Dash & Sabat, 2012). In addition, this theory contends that the success and the effectiveness of a message rely on the perceived level of expertise and trustworthiness in an endorser (Erdogan B. Z., 2010). The trustworthiness is the combination of honesty, sincerity and integrity of the endorser. Hence, the selection of right celebrity depends on the target audience perception.

The theory can be well explained by an example. The famous cricketer MS Dhoni and Bollywood actor Bipasha Basu was the brand ambassador for Reebok. In an advertisement two of them were seen racing against each other wearing shoes to promote Reebok's new product HEX RIDE (Indian Television, 2009). In actual life, both of the celebrities are well-known for their health and fitness. In that advertisement, audience can easily connect the product and the celebrities. The brand and the product is relate to fitness and sports which the celebrities can portray and convey the correct message to the audience.

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The Source Attractiveness Theory

This theory mostly describes about the acceptance of the advertisement by the audience and mostly focus on the familiarity, likeability and similarity of the advertisement, where the familiarity portrays knowledge about the source from the audience's exposure, likeability portrays the source physical appearance and the behavior, and similarity portrays the connection between the source and the audience (Dash & Sabat, 2012). Moreover, research has shown audience are more attracted towards the attractive communicators compare to unattractive one, hence attractive source can bind more audience (Erdogan B. Z., 2010). Especially for the attractiveness related product, the physically attractive and glamorous celebrities can significantly enhance the measures of the credibility of the spokesperson and even significantly enhance the hold on the audience toward the advertisement and gives a positive impact on the attitudes of the audience (Biswas, Hussain, & O'Donnell, 2009).

It can be well explained with the example of the marketing strategy of Sony Limited while introducing their new range of Sony VAIO X laptop. The brand tried to pottery and blends their product with the image of superstar Kareena Kapoor (Campaign India, 2009). The company attempts to connect Kareena's iconic status, success and charm with the Sony brand. In this scenario, the glamour of the celebrity also boosts the glamour of the brand.

Meaning Transfer Theory

This theory mostly describes about the acceptance of the advertisement by the audience and mostly focus on the encoding a meaning, transferring a meaning and capturing a meaning to the audience (Dash & Sabat, 2012).
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Encoding meaning refers to the unique set of meaning includes age, gender, race, wealth, personality or lifestyle where the celebrities encode a specific set of meanings in their image. Meaning Transfer refers to, celebrities transferring the unique set of meaning to the product to depict and portray the communication powerfully. And the meaning capture refers to the way the audience capture the desirable meaning that the celebrities passed on to the product (Dash & Sabat, 2012). This theory determines the degree of perceived fit between the brand and the celebrity in an advertisement and how they match to each other, also relate how the audience will respond and react to the advertisement (Erdogan B. Z., 2010).

It can be explained through an example of the marketing strategy of Tanishq, the famous jewellery brand in India which is own by Tata Group. In their latest commercial for its diamond range, the brand has endorsed the Bollywood celebrity couple, superstar Amitabh Bachan and his celebrity wife Jaya Bachan who are well-known for their committed and trustful relationship for years. In the similar way, the commercial pottered the information about the diamond: its purity and trust to the audience. In this commercial, the celebrities lend credibility to the brand message which connect with the audience and spread the awareness among consumers about the purity of diamond (The Economic Times, 2011).

Multiple Celebrity Endorsement and Multiple Brand Endorsement:

Multiple celebrity endorsement refers to brand endorsing two or more than two celebrities to advertise for the same brand in a certain period whereas

multiple brand endorsement refers to celebrities endorsing two or more than two different brands in a certain period (Hsu & McDonald, 2002).

The question is to know the consumer attitude towards the multiple celebrity endorsement as well as the multiple brand endorsements. The research shows that the consumer feels a celebrity who endorses multiple brands is comparatively less reliable and trustworthy than the celebrity who endorses a single brand (Tripp, Jensen, & Carlson, 1994). And the research also shows that use of multiple celebrities for a single brand helps the brand to a sense of harmony and helps to keep away the advertisement from boredom and hence, attract more audience (Hsu & McDonald, 2002).

Multiple celebrity endorsement can be explained through the example of the famous beauty bathing bar 'Lux'. The brand has always positioned itself as the 'favorite soap of Film stars'. Such has been the popularity of the brand that more than fifty Bollywood actors have been associated with the brand. The advertisements always focus more on the brand rather than the celebrities endorsing the brand (Majumdar, 2010). Also, it helps the brand to attract more audience and keep way the audience from boredom. On the other hand, Sachin Tendulkar, the famous Indian cricketer, has endorsed numerous brands at the same time. In such a scenario, the audience may not remember all the brands he is endorsing. This indicates that in multiple brand endorsement the power and the strength of the brand and its advertisement declines when compared to the popularity of the celebrity (Natekar, 2012).

The Big Endorser the Brand

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Sachin Tendulkar : Boost , Toshiba, LIC, Hitachi, MRF Tyres

Shahrukh Khan : Nokia, Pepsodent, Dish TV, Hyundai

Amitabh Bachchan: ICICI Prudential, Tanishq, Cadbury's, Boroplus, Birla Cement

Aamir Khan: Tata Sky, Samsung, Samsung Mobile, Titan, UNICEF

Mahendra Singh Dhoni: Emami, Sony, TVS Star City, Pepsi, Binani Cement, Boost

Abhishek Bachchan: Idea, Videocon HD

Aishwarya Rai Bachchan: Nakshatra Diamond , Lux, L'Oreal,

Source: The Financial Express, 2011

Country context: India and Consumer's perspective

In the modern era, endorsing celebrity turns out to be a modern name. The use of celebrity for endorsing a brand is common phenomenon which acts as the winning formula for the company's corporate image building and the product marketing. To increase the customer attention, endorsing well-known celebrity becomes a common trend for all the companies which results in the increase of market share in the companies (Dash & Sabat, 2012).

The Indian context offers a very special scenario for the marketers. It is very unique, with combination of diverse culture and economic with a strong cultural attachment, with blend of western culture and most importantly the

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rural areas which is the critical factors which marketers have to consider in during the formulation of marketing strategies (Kumar R. S., 2009). India is a country, where endorsement of celebrity gives a high possibility to influence the consumers for the purchasing decision. According to a research analysis, it shows that celebrity endorsement for a brand or product acts as an motivation factor for the consumers and more or less, it has been seen that purchase attitude also changes with the selection of right celebrity (Pughazhendi, Thirunavukkarasu, & Susendiran, 2011).

India is a country, where celebrities are treated as idol where the Bollywood stars and TV actors as well as sportspersons were roped in to endorse different brands. Mostly every individual have enormous interest in knowing their favorite celebrities professional as well as personal lifestyle. And the celebrity endorsement is mostly used to portray high glamour and to appeal more audience attention rather than a celebrity's much involvement with the product which indicates the market scenario in India is high context in culture (Biswas, Hussain, & O'Donnell, 2009). Hence, In India, in the battle for mindshare and market share, companies or brands endorse celebrity for market their product which makes immense sense (Kumar R. S., 2009).

Case Study- Successful Celebrity Endorsements for a Brand – An Indian Perspective

In India, the jewelry industry competition getting tougher. There is lot entry of upcoming jewelry brands as well new boutiques joining the fray, where the brands have to do something out of the way to connect with the audience. In that case, the easiest way for the brands to gathers attention and come closer to the audience is to endorse celebrities which portray their brands.

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In the above picture, Katrina Kaif as the brand ambassador of ' Natraksha' range of diamond jewelry and Bipasha Basu as the brand ambassador of ' Gili', one of the most popular diamond brands in India (Refernce.....)

In India, in the similar way there is a tough competition in the cold beverage industry, where the celebrity endorsements have been the bedrock of cold beverage's advertising. Over the years, cold beverage industry has used and continues to use numerous celebrities from different fields for the advertisement.

In the above advertisement, famous Bollywood actor Amir Khan endorses as the brand ambassador of ' Coca Cola' (Majumder, Coca-Cola Goes Rural with Thanda Campaign, 2010), in this advertisement, the brand was targeting rural and semi-urban consumers to increase the number of consumers. In the other advertisement, Indian cricket team captain MS Dhoni endorses as the brand ambassador of ' Pepsi' where the company was targeting the young crowd of the country (Kumar S. , 2010).

This shows different brands are targeting and portraying their product by the celebrities of different fields to catch whole audience from the different segments.

Conclusion and Recommendation:

In the current scenario, the celebrity endorsement and advertisement strategies are rightly blended. The marketers generally connect the strength of the brand along with the qualities of the celebrities (Khatri, 2006).

Moreover, it is important that the marketers should be aware of the complex process of the celebrity endorsement as well as the concepts like celebrity <https://assignbuster.com/effect-of-celebrity-endorsement-in-advertisement-marketing-essay/>

source credibility and attractiveness, match-up hypothesis, multiple product endorsement etc. which are used in selecting right celebrities.

Marketers agree that the celebrity endorsement does not guarantee the increase of sales but it gives an overall positive impact on the brand and makes the audience feel better about the brand.

However, the celebrity endorsement advertising strategies has high cost associated. And the research shows that the celebrity endorsement in an advertisement only have an impact on the consumers attention and may not change the purchase behavior of the consumer. Hence, celebrity endorsement involves high risk (Biswas, Hussain, & O'Donnell, 2009).

However, it has been seen that there are different brand where the non-celebrity endorser or the created endorser are doing better than the celebrities endorser (Khatri, 2006). Hence, the marketers have to study the market properly before taking a suitable decision about endorsing celebrities.