

# Celebrity endorsement

People



This research report is presented subject to the condition that it shall not, by way of trade sold, and circulated without the author (s) prior consent in any form, binding or cover other than that in which it is printed until unless it is done for educational purpose s purpose. The author (s) asserts the moral right. Printed in January 2009 ZAHEER AHMED KHAN - MBA (MARKETING) BAHRIA INSTITUTE OF MANAGEMENT & COMPUTER SCIENCES, ISLAMABAD [Impact Of Celebrity Endorsement On Consumer Behavior & Overall Brand Value] Published in Jan. 2009 | 3 Project Background | the world were full of all wise men and all wise women; we would have never heard of a term called " advertisement". And then good products would have found the right customers and grown to prosperity. Firms would have worked out a mathematical formula to sell and succeed.

But the buying process isn't rational; and so is this world. Today, the business firms are trying out different ways in advertisement to increase their sales. Pakistanis are die-hard movie and sport buffs; and this aspect of the consumers has invited the concept of " Celebrity Endorsement" to the world of advertisement. The purpose of this report is to analyze the role of Celebrity Endorsement in the process of brand-building and consumer buying behavior by taking appropriate examples from the advertising landscape. The modern world of marketingcommunicationhas become colorful and inundated with advertisements, and it is hard to get noticed. It is an uphill task for the designer of an advertising campaign to differentiate itself from others and attract viewers' attention. In this jet age, people tend to ignore all commercials and advertisements while flipping through the magazines and newspapers or viewing TV.

But even then, the glamour of a celebrity seldom goes unnoticed. Thus, celebrity endorsement in advertisement and its impact on buying behavior the overall brand is of great significance. In this process, the companies hire celebrities from a particular field to feature in its advertisement campaigns. The promotional features and images of the product are matched with the celebrity image, which tends to persuade a consumer to fix up his choice from a plethora of brands. Although this sounds pretty simple, but the design of such campaigns and the subsequent success in achieving the desired result calls for an in-depth understanding of the product, the brand objective, choice of a celebrity, associating the celebrity with the brand, and a framework for measuring the effectiveness. ZAHEER AHMED KHAN - MBA (MARKETING) BAHRIA INSTITUTE OF MANAGEMENT & COMPUTER SCIENCES, ISLAMABAD [Impact Of Celebrity Endorsement On Consumer Behavior & Overall Brand Value] Published in Jan. 2009 | 4 SYNOPSIS the brand forever.

Choice of the celebrity, hence, is of utmost importance and is usually done based on many different parameters - appeal, looks, popularity or even just a fantasy figure to endorse a brand. In today's highly competitive markets, big brands are at loggerheads when it comes to products, each having a similar product to that of a rival. Where does one brand gain that quintessential advantage - advertising, service, promise of trust, or even the all important price factors? Advertising seems to be the best platform where brands prefer to compete on - right from hiring the best advertising agencies to getting the biggest celebrities. What would be the formula to success then? Well, a good creative agency, a large enough promotional budget and a huge star to endorse your brand would definitely ensure in the minds of a brand

management team a feeling of security, success and a triumph over the competitors brand. The general belief among advertisers is that brand communication messages delivered by celebrities and famous personalities generate a higher appeal, attention and recall than those executed by non-celebrities. The quick message-reach and impact are all too essential in today's highly competitive environment. The different models applied by brands to achieve the full potential of such endorsements, highlight the need for a convergence between the theoretical and pragmatic approaches of brand building and effective advertising.

The importance of a celebrity-brand match and the various roles played by them as brand-associates show the momentum this strategy has gained in the last decade or so. We put forward certain ideas like 'positioning by association', It is a known fact that the best endorsements achieve an eclectic balance between the product (brand) and the celebrity. Giving a brand a 'face' is more than just a marketing strategy to increase sales or gain market share, it is a decision that can change the future of

ZAHEER AHMED KHAN - MBA (MARKETING) BAHRIA INSTITUTE OF MANAGEMENT & COMPUTER SCIENCES, ISLAMABAD [Impact Of Celebrity Endorsement On Consumer Behavior & Overall Brand Value] Published in Jan. 2009 | 5

'diminishing celebrity utility' and the Multiplier Effect which show the triangular relationship between the brand, the consumer and the celebrity. Pakistan is a country where people are star-struck by film stars, cricketers, politicians, and even criminals. Why? Populations of 170 million and ticking, everyday people need something or someone to look up to. A sense of

security, admiration, comfort, familiarity, and above all, someone they aspire to be at some hidden level in their lives.

And clever marketers leverage this very celebrity appeal and are successfully carrying out their jobs by giving the bottom lines of all the brands what they want - profit, market share and even recall. But how much star power is too much? " Does Vaneeza really use Lux Soap? " asked a 6 year old to her mother. Her mother laughs and says, " No way, just a gimmick. " What does that do to the brand? Now, despite the potential benefits derived from celebrity endorsements, they increase a marketer's risk manifold and should be treated with full attention and aptitude. A brand should be cautious when employing celebrities to ensure promise believability and delivery of the intended effect. The growing importance of mythical characters as celebrities and their sway over the target segments are ample proof of public demand for icons to look up to. As the celebrities traverse from a mere commercial presence to public welfare message endorsements, a whole new dimension is added to this process and helps us in achieving a holistic view of the impact which celebrities generate in every sphere and segment through their well-versed endorsements.

At the end of the day, do any stakeholders in a company (employees, contractors, customers, shareholders, communities the company supports with jobs) benefit from a celebrity endorsement? Does anyone buy a product because a Lollywood or TV actor/actress or Model stands up and reads a script in somewhat convincing manner? Are their distinctions in how consumers perceive these types of endorsements and respond to them?

ZAHEER AHMED KHAN - MBA (MARKETING) BAHRIA INSTITUTE OF

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MANAGEMENT ; COMPUTER SCIENCES, ISLAMABAD [Impact Of Celebrity Endorsement On Consumer Behavior ; Overall Brand Value] Published in Jan. 2009 | 6 What happens when a celebrity endorser gets involved in a public scandal, or worse, dies? Will the product lose consumer support or perish? The most important thing to remember is that putting a celebrity in an ad is not an idea in itself. Unfortunately, this is how most celebrities are being used in Pakistani advertising, where they just become a prop. Ideally, there should be an idea that makes the celebrity relevant to the product and the consumer. A celebrity's presence in the ad should be contextual. Celebrity endorsement cannot guarantee fool-proof success. The celebrity endorsement strategy must be integrated with target market characteristics, and the other elements of the marketing mix such as product design, branding, packaging, and pricing.

The message execution that will be mouthed by the celebrity must likewise be made clear and single-minded. You can do this cleverly by aligning the spirit of the brand to the product, or by using a celebrity because it ensures that people will notice you, and hopefully remember what the brand is saying. Smart associations are ones where the former happens. Before we go into analyzing success and failure stories of brands, we examine the title once again and try looking at it extremely minutely ZAHEER AHMED KHAN - MBA (MARKETING) BAHRIA INSTITUTE OF MANAGEMENT & COMPUTER SCIENCES, ISLAMABAD [Impact Of Celebrity Endorsement On Consumer Behavior & Overall Brand Value] Published in Jan. 2009 | 7 THE IMPACT impact could be measured would be on a comparative basis of the brand before and after the celebrity began endorsing the brand. Sales / revenue, market share, brand

recall, level of repurchase, brandloyalty, trust, image and perception of the brand per say. In this trend of creative advertising, we see usage of celebrities of all walks in life - particularly actors, film stars, models, sports persons, and the whole gamut.

But the usage can always backfire if the choice of the star is completely contradictory in nature to the brand. Believability and association of brand to celebrity is important. Selection of celebrities can be done while they are at their peak or when they are destined for greatness in the near future, again a risk that may go either way. What is important at some level is the value that a celebrity adds to a particular brand. The advertiser tries his best to make the celebrity and brand as analogous as possible. The celebrity endorser is seen to score quite well on dimensions such as trustworthiness, believability, persuasiveness, and likeability when tested for reaction from people. This is important to a marketer as if he can get a celebrity to make the masses follow, believe or listen to him, he has been successful.

As defined earlier, impact would be both short term and long term, but here the focus would be more on the long-term implications of the brand.

Measurement of this would be challenging and data would be difficult to obtain. The parameters on which ZAHEER AHMED KHAN - MBA (MARKETING) BAHRIA INSTITUTE OF MANAGEMENT & COMPUTER SCIENCES, ISLAMABAD [Impact Of Celebrity Endorsement On Consumer Behavior & Overall Brand Value] Published in Jan. 009 | 8 DEFINITIONS OF CELEBRITIES said that within a society, celebrities generally differ from the common people and enjoy a high degree of public awareness. Among the classic forms of celebrities, actors (e. g. , Shan, Reema Khan, Sana, etc.

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), models (e. g. , Mehreen Gillani, Vanzeeza Ahmed, etc. ), sports-persons (e. g. , Waseem Akram, Jan Sher Khan etc. ) are significant.

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 attract a greater degree of attention, recall and loyalty. According to Melissa St. James, a doctoral fellow and marketing instructor at The George Washington University, "Studies show that using celebrities can increase consumers' awareness of the ad, capture [their] attention and make ads more memorable." In this age of intense competition, where capturing a position in the consumers' mind space is extremely tough, celebrity endorsements give an extra edge to the companies for holding the viewers' attention. Celebrities can catalyze brand acceptance and provide the enormous momentum that brands require by endorsing the intrinsic value to the brand. So, in the Pepsi advertisement; singer Annie or actress Reema Khan are the celebrity endorsers for the product or brand called Pepsi and this process is referred to as Celebrity Endorsement.

Celebrities are people who enjoy specific public recognition by a large number of certain groups of people. They have some characteristic attributes like attractiveness, extraordinary lifestyle or special skills that are not commonly observed. Thus, it can be

ZAHEER AHMED KHAN - MBA  
(MARKETING) BAHRIA INSTITUTE OF MANAGEMENT & COMPUTER SCIENCES,  
ISLAMABAD [Impact Of Celebrity Endorsement On Consumer Behavior &  
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ATTRIBUTES and the celebrity gains. The most important attribute for a celebrity endorser is the trustworthiness. The target audience must trust that a celebrity carries a particular image and it must match with the product. The second attribute in order of importance is likeability.

The celebrity also must be accepted as a popular icon by a large cross section of the audience. Companies use celebrity endorser because they are considered to have stopping power, i. e. , a celebrity can be a very useful tool to draw attention to advertising messages in a cluttered media environment. The overall popular image coupled with exact product-image match enhances the consumer attention resulting in greater brand recall. Similarity between the target audience and the celebrity is the third important attribute. A person well-known in a society can have greater impact than a celebrity of a different world.

If the endorser and receiver have similar needs, goals, interests and lifestyles, the position advocated by the brand communication is better understood and received. Similarity is also used to create a situation where the consumer feels empathy for the person shown in the commercial. The bond of similarity between the endorser and the receiver increases the level of persuasiveness. While selecting a celebrity as endorser, the company has to decide the promotional objective of the brand and how far the celebrity image matches with it. The selection is in fact a collaboration, from which both the company

ZAHEER AHMED KHAN - MBA (MARKETING) BAHRIA  
INSTITUTE OF MANAGEMENT & COMPUTER SCIENCES, ISLAMABAD [Impact Of  
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Published in Jan. 2009 | 10 The Need for Celebrity Endorsement endorsement  
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to perk up brand recall and product sales. This has now become a trend and is being perceived as a strategic means of brand building exercise.

The Elaboration Likelihood Model (EML) suggests that consumers will scrutinize claims more in important situations (say, life saving drugs) than in unimportant ones. So, for almost similar products like Coke and Pepsi, it makes sense to use endorsement. Also, Friedman & Friedman have shown that a celebrity relative to a non-celebrity spokesperson would be more effective for products high in psychological or social risk, involving such elements as good taste, selfimage, and opinion of others. For example, when actor Tallat Hussain endorses Toyota Liana drive; the consumers are made to think that he is giving his opinion to go for this car. The charisma of the celebrities almost always entices people and their words are worshipped by a lot of people. Their influence also goes on the political front, where they are invited for political endorsement. The business firms, thus, resort to celebrity Two reasons why advertisers need celebrity endorsement are to increase the credibility & attractiveness of their advertisement.

This is solely to affect consumers' attitude towards their brand. To justify this hypothesis, we can take the example of Sonia Jahan and Ali Zafar has turned the tables for Telenor brand called Talkshawk as sales increased by a whopping 500%. ZAHEER AHMED KHAN - MBA (MARKETING) BAHRIA

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Published in Jan. 2009 | 11 ublished The Process of Celebrity Endorsement T

he process of celebrity endorsement is more of meaning translation &

meaning application. A deeper insight into this complex process is provided

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by the following theory. The Meaning Transfer Model McCracken, the author to this model, has suggested that, " The effectiveness of the endorser " The depends, in part, upon the meaning he or she brings to the endorsement process. " The celebrities' effectiveness as endorsers stems from the cultural meanings with which they are endowed.

It is a three-stage process of meaning transfer that involves the formation of stage meaning celebrity image, transfer of meaning from celebrity to the brand, and finally, from the brand to the consumer. Figure 1: The Meaning Transfer Model To explain it with the help of an example, we can take the ca of Waseem Akram and Accu case Chck. The cricket icon is seen as " Mr. Dependable". And when he endorses Accu Chck, an image . Chck of " dependability" is tagged on to the brand under promotion. ZAHEER AHMED KHAN - MBA (MARKETING) BAHRIA INSTITUTE OF MANAGEMENT & COMPUTER SCIENCES, ISLAMABAD Impact Of Celebrity Endorsement On Consumer Behavior & Overall Brand Value] Published in Jan.

2009 | 1 Celebrity Selection T • here are various scientific ways in which the right celebrity is selected for the product endorsement, which are discussed here after: Stereotyping Tellis defines stereotypes as perceptions and depictions of individuals based on simplistic, biased image of the group to which they belong, rather than on their own individual characteristics. For example: its better to select celebrities who say are teens for chocolate advertisements and females for detergent ads, etc. The TEARS1 Model Match up between Brand Image & Celebrity Image Fame, Popularity (But Brand should be Reliable) Trustworthiness Celebrity Chosen Physical Attractiveness Expertise Figure 2: The TEARS Model 1 Defined by J. Lindeberg. The <https://assignbuster.com/celebrity-endorsement/>

attributes highlighted by the acronym " TEARS" are gauged for celebrity selection. These are Trustworthiness, Expertise, Attractiveness, Respect, and Similarity. ZAHEER AHMED KHAN - MBA (MARKETING) BAHRIA INSTITUTE OF MANAGEMENT & COMPUTER SCIENCES, ISLAMABAD [Impact Of Celebrity Endorsement On Consumer Behavior & Overall Brand Value] Published in Jan.

2009 | 13Trustworthiness: Zia Muhi-u-Din who is an icon of trust; promoting KASB Bank. Expertise: Waseem Akram for a sports brand. Attractiveness: Sonia Jahan, Vaneeza Ahmed, Mehreen Gillani, Shan, etc. Respect: Social worker Abdus Sitar Edhi and the Blood donation campaign. Similarity: a child artist promoting a chocolate brand. A celebrity scoring high on all the above attributes can turn out to be a good endorser for the brand under question. •

The No TEARS Model The " No TEARS" approach is a tool for managers and their advertisers how to go about selecting celebrities so as to avoid the pitfalls from making an unwise decision.

It gauges the following information: celebrity & audience match up, celebrity & brand match up, celebrity credibility, celebrity attractiveness, cost consideration, a working ease and difficulty factor, an endorsement saturation factor, a likelihood-of-getting-into-trouble factor Selecting the right celebrity does more than increasing sales; it can create linkages with the celebrities' appeal, thereby adding new dimension to the brand image.

Research conducted by Katherine Eckel has revealed that celebrities can get people to make a better choice but cannot influence 'people to make a foolish choice'. ZAHEER AHMED KHAN - MBA (MARKETING) BAHRIA INSTITUTE OF MANAGEMENT ; COMPUTER SCIENCES, ISLAMABAD [Impact Of Celebrity Endorsement On Consumer Behavior ; Overall Brand Value] Published in Jan.

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2009 | 14 The success of celebrity endorsement in Pakistan can be sought from a market research conducted earlier which found that 8 out of 10 TV commercials scored the highest recall were those with celebrity appearances. ZAHEER AHMED KHAN - MBA (MARKETING) BAHRIA INSTITUTE OF MANAGEMENT ; COMPUTER SCIENCES, ISLAMABAD [Impact Of Celebrity Endorsement On Consumer Behavior ; Overall Brand Value] Published in Jan. 2009 | 15 ublished Brand, Celebrities ; Consumers Figure 3: Factors Impacting a Brand while being viewed by a Consumer in Media : by The model above shows the various factors that affect a celebrity endorsed brand while viewed by a consumer in the media (both TV and print). The central idea being the impact on brand and consumer behavior.

The three major parts to a brand being shown are: . The Product Advertisement The celebrity endorsing it It is important is to study the relationship between these factors and how they together act for or against the brand. The product is important, of course, it may fulfill a need, want or a desire. Quality is need, quintessential and, hence, nowadays it is understood the product is of highest quality. So what next? The advertisement is important as a good product could see an early exit if the ZAHEER AHMED KHAN - MBA (MARKETING) BAHRIA INSTITUTE OF MANAGEMENT ; COMPUTER SCIENCES, ISLAMABAD [Impact Of Celebrity Endorsement On Consumer Behavior ; Overall Brand Value] Published in Jan. 2009 | 16 advertisement is handled badly, and otherwise, a mediocre product which is tastefully handled goes a long way. Lastly, the celebrity in the advertisement, recall, trust, familiarity are some of the reasons that they are used.

Now consider the interactions of these individual factors. The best of superstars can be doing the advertisement but if the product is far from the image the star has, the whole advertisement is a waste. Imagine Javed Sheikh doing an advertisement for ad for youth apparel. Well, exceptions can be there but then again it depends on the way it is done. Believability is of vital importance. The relationship between a product and its advertisement again can be either dependant or none. In that case, a shock value makes people remember the brand better and, hence, a possible long term loyalty.

ZAHEER AHMED KHAN - MBA (MARKETING) BAHRIA INSTITUTE OF MANAGEMENT ; COMPUTER SCIENCES, ISLAMABAD [Impact Of Celebrity Endorsement On Consumer Behavior ; Overall Brand Value] Published in Jan. 2009 | 17 Facts Approximately 60-70% of all television commercials feature famous people. Telenor Talkshawk sales went up when Telenor endorsed Sonia Jahan and Ali Zafar with a well executed TVC. Pakistan is a country of cricket fans, that's why Pepsi is endorsing almost 90% times cricketers in their ads. Reema Khan who is brand ambassador of Warid Postpaid appeared in Prepaid Warid advertisement, and sales went down dramatically. Amitabh Bachchan (AB) was seen endorsing Maruti's Versa Car. The AB factor worked wonders as far as generating curiosity was concerned but the actual product couldn't meet the expectations of people, and hence, the endorsement strategy didn't work.

He has been used very effectively by Parker Pens, ICICI Bank and Cadbury's to name a few. Magic Johnson lost his endorsement deals when he announced in 1991 that he's HIVpositive. It wasn't until July 2003 that he landed his first endorsement deal since the announcement. Ticket sales at <https://assignbuster.com/celebrity-endorsement/>

Wimbledon are known to have shot up significantly for all matches featuring the latest 'sex-symbol' on the circuit - Anna Kournikova. An average player who is yet to win even a single tennis tournament, Anna is known to have earned far more from endorsements than her tennis career could ever have given her. ZAHEER AHMED KHAN - MBA (MARKETING) BAHRIA INSTITUTE OF MANAGEMENT ; COMPUTER SCIENCES, ISLAMABAD [Impact Of Celebrity Endorsement On Consumer Behavior ; Overall Brand Value] Published in Jan. 2009 | 18 The Argument for Celebrity Endorsements The need for brands to use luminaries in advertising is most felt when the concerned brand has very close substitutes available; when there is a need to create a unique and clear differentiation for the brand, and when the brand has to make an impact at its introductory stage.

Research has indicated that target prospects are more likely to choose goods and services endorsed by celebrities than those without such endorsements. Celebrities facilitate instant awareness and immediate attention. In this era of sound bites, channel surfing, visual orientation and quick newspaper scanning, there is great demand for people's time and focus. Studies have shown that some of the attributes associated with the celebrity are passed on to the brand. For instance, if a motorbike is associated with a celebrity who connotes performance then one need not hunt for the reassurance required to make the down payment. The idea, thus, is to convince people of the utility lying in your brand. For instance, if I want to say Dettol Soap gives maximum protection against germs, viruses and bacteria and it is hard to convince a priori, then it's easier to say: 'Mahnoor Baluch says Dettol Soap

gives maximum protection against germs, viruses and bacteria because she is very caring mother’.

The brand, therefore is riding piggyback on the celebrity. At a rational level, everyone knows it is a paid endorsement, and there is no immediate, conscious association. But at a subliminal level an association occurs - the attributes of one rubs off onto the other. ZAHEER AHMED KHAN - MBA

(MARKETING) BAHRIA INSTITUTE OF MANAGEMENT & COMPUTER SCIENCES,

ISLAMABAD [Impact Of Celebrity Endorsement On Consumer Behavior &

Overall Brand Value] Published in Jan. 2009 | 19 Brand Image &

CelebrityResearch has shown that there are three aspects that influence a customer's attitude and, hence, the long term impact on the brand -

Attractiveness, Trustworthiness and Expertise. The matrix below shows us

the images and the celebrities: Elegance Beauty Attractiveness Classy

Stylish Mahira Honest Trustworthiness Reliable Knowledge Expertise

Qualified Experience Tallat Hussain Zia Muh-ud-Din Nabeela Waseem Akram

Liana KASB Bank Shampoo Accu Chck Hence, we see depending on the

product and aspect of brand, the choice of the Anwar Maqsood Panteen

Pampers Vaneeza Meera Indigo Ufone Public DemandAli Zafar/Sonia Jahan

Telenor Talkshawk Iman Ali SunsilK celebrity is important so that the

celebrity can reflect that and not go against the brand. Getting back to the

basic of branding after such exhaustive examples can make us reflect

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Endorsement On Consumer Behavior ; Overall Brand Value] Published in Jan.



2009 | 20 on our choices of celebrity and the impact on the brand. We talk about Brand Equity, Brand Identity and Position. It is worthwhile to see the effect of a celebrity on these critical elements. Brand equity essentially made up of loyalty, awareness, perceived quality, associations, and other proprietary brand assets. The celebrity should be chosen in such a way as to reinforce and strengthen the brand in all these elements but the question is, can he/she? Take an example of another star Hadiqa Kayani, who endorses modish, trendy home appliances from a Pakistani manufacturer PEL (Pak Elektron Ltd. ) with the backing of a stylish star was a great idea for the brand image. It was able to attract new customers who were style and trend conscious but unable to afford high price international brands.

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2009 | 21 The Argument against Celebrity Endorsements CELEBRITY ENDORSEMENT: THE ISSUES INVOLVED There are several factors to consider before resorting to celebrity endorsement. There is no single formula to win in the world of marketing. A company must analyze the prospect of endorsement from 360 degrees, prior to product promotion. Price vs. Profit The most important issue is that of Return on Investment (ROI). Companies need to perform a cost-benefit analysis prior to endorsement.

The process of gauging the effectiveness of endorsement on the overall brand is but difficult. The companies expect to bring, in the long run, future sales, revenues and profit from the present investments on celebrity endorsement. Celebrity endorsement is an expensive means of brand

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promotion and the price burden almost always shifts on to the consumers; if not, then it narrows the companies' profit. Multiple Brand Endorsement vs. Multiple Celebrity Endorsement In the advertising landscape, we find either a celebrity endorsing multiple brands or multiple celebrities being used to endorse a single brand. Sonia Waseem Akram, for example, endorsed more than 10 brands (including Pepsi, Accu Chck, Rexona, etc. ).

Iman is endorsing more than 5 brands at the moment including LUX, Mobilink Jazz, Sunsilk Shampoo. Tripp et al, says that the endorsement of as many as four products negatively influences the celebrity spokesperson's credibility and likeability. ZAHEER AHMED KHAN - MBA (MARKETING) BAHRIA INSTITUTE OF MANAGEMENT ; COMPUTER SCIENCES, ISLAMABAD [Impact Of Celebrity Endorsement On Consumer Behavior ; Overall Brand Value] Published in Jan. 2009 | 22 ublished Figure 4: Multiple Brand Endorsement ( : (Atif Aslam) Also, the use of multiple celebrities to endorse a brand may hinder the meaning transfer process, and thus, lead to confusion among the consumers.

Similarity between the target audience and the celebrity is the third important attribute. A person well-known in a society can have greater impact than a celebrity of a different world. If known the endorser and receiver have similar needs, goals, interests and lifestyles, the position similar advocated by the brand communication is better understood and received.

Similarity is also used to create a situation where the consumer feels empathy for the person shown in the commercial. The bond of similarity between the endorser and the receiver increases the level of persuasiveness. The companies have to first clarify their business objectives, <https://assignbuster.com/celebrity-endorsement/>

brand values and then decide who the celebrities are who can carry them forward. Otherwise, their can be unnecessary canZAHEER AHMED KHAN - MBA (MARKETING) BAHRIA INSTITUTE OF MANAGEMENT ; COMPUTER SCIENCES, ISLAMABAD [Impact Of Celebrity Endorsement On Consumer Behavior ; Overall Brand Value] Published in Jan. 2009 | 23 investments without proper return. So the celebrity endorsement cost has to be weighed up against the return on marketing investment. Besides, while designing an ad campaign, one should also keep in mind that the overuse of some extremely popular celebrities often tends to confuse consumers and reduce the utility of celebrity endorsement.

Another argument against celebrity endorsement involves the behavior of the celebrity. The values that display themselves in regrettable behavior could transfer themselves to the brand. The marketing function of a company should also understand that brands should assume a much greater space than the celebrities, because their association may be temporary but the brands are permanent. The various risks associated with celebrity endorsements are as follows:

- Negative publicity - If the celebrity is strongly associated with the brand then the occurrence of the negative publicity can spill over the brand. This can harm the trustworthiness and credibility in the mind of the consumers.
- Overshadowing - When celebrity endorser is used, the risk of consumers focusing on the celebrity and not on the brand exists.
- Overexposure - This risk arises when the celebrity chooses to endorse several different products simultaneously which might leave the consumers confused.

E. g. , Vaneeza Ahmed endorses different brand including Mobilink Indigo, LUX, etc. • Overuse - Sometimes the company can use many different celebrities to appeal to different market segment. But multiplicity of endorser might blur the image of the brand and reduce the effectiveness of the means of persuasion. Extinction - The favorable response obtained by a particular brand may weaken over time if the brand gets significant exposure without the association of the celebrity. If the celebrity contract is for a considerable period of time, then it can lead to draining out capital without proper return.

- Financial Risk - The decision for hiring an expensive endorser may not be always feasible if there is a poor brand fit. ZAHEER AHMED KHAN - MBA (MARKETING) BAHRIA INSTITUTE OF MANAGEMENT ; COMPUTER SCIENCES, ISLAMABAD [Impact Of Celebrity Endorsement On Consumer Behavior ; Overall Brand Value] Published in Jan. 009 | 24 Therefore, for celebrity endorsements to work effectively there are some fundamental ground rules: The brand promise and the brand personality should be clearly articulated. The communication objectives for the campaign should be frozen. Focus must be on the synergy between the brand and the celebrity image Establish explicitly what the celebrity is going to communicate Once these criteria are met, endorsements can work as a force multiplier. A deeper insight in the impact of celebrity endorsement on consumers' minds can be explained by the meaning transfer model, explained in the next section. ZAHEER AHMED KHAN - MBA (MARKETING) BAHRIA INSTITUTE OF MANAGEMENT & COMPUTER SCIENCES, ISLAMABAD [Impact Of Celebrity Endorsement On Consumer Behavior & Overall Brand Value] Published in Jan.

2009 | 25 published WHICH OF THE FOLLOWING HAS THE HIGHEST IMPACT ON DECISION OF BUYING A PARTICULAR PRODUCT ? Celebrity Brand Name Self Esteem 3% 48% 25% 24% Luxury/ Need Motor Vehicles From the above graphical representation we can see that a major portion of consumer buy a Motor Vehicle just because it is a luxury/need 24% buy it for the self esteem and 25% go for a Motor Vehicle /need. % just because of the brand name.

We have a small but affective percentage of consumers who are consu influenced by celebrities endorsing a brand. So, we can conclude that celebrity endorsement is an affective tool to build brand image as well as it has a positive influence on consumers. Mobile Phones Celebrity Brand Name 4% 30% 32% Status Cost 34% Again we don't see much consumers influenced by the celebrity endorsement. 34% buy a cell phone to celebrity meet their level of standard or class. 32 out of 100 are brand conscious because they don't want to take risk by using a new brand.

In short, they want to avoid the risk involved in purchasing a new brand. 0% consumers are cost/price conscious. Their demand for a mobile can increase or decrease with the onsumers increase in price. ZAHEER AHMED KHAN - MBA (MARKETING) BAHRIA INSTITUTE OF MANAGEMENT & COMPUTER SCIENCES, ISLAMABAD [Impact Of Celebrity Endorsement On Consumer Behavior & Overall Brand Value] Published in Jan. 2009 | 26 published Clothing Celebrity Status Cost Brand Name 44% 32% 10% 14% Unfortunately, we don't see much advertisement of clothes on different media in Pakistan but still we see 32% consumer get attracted towards a particular apparel brand because of the celebrity endorsing towards that brand. This may be because

we have cable in almost every house especially in cities. So, ads and celebrities from India help them decide what particular brand to be bought.

24% people are status and cost conscious so, again the demand is dependent on the price they pay for a specific product. Food Products Attractive Packaging Brand Name Celebrity Quality 47% 30% 10% 13% Here we can see that even after endorsing a celebrity in a Food Product advertisement, nominal consumers are attracted towards it. Most of the people are quality conscious and they are not ready to compromise on that. Attractive packaging seems to be an affective tool in making a consumer decides affective whether to go for a certain food product or not. ZAHEER AHMED KHAN - MBA (MARKETING) BAHRIA INSTITUTE OF MANAGEMENT & COMPUTER SCIENCES, ISLAMABAD [Impact Of Celebrity Endorsement On Consumer Behavior & Overall Brand Value] Published in Jan. 2009 | 27 ublished MOTIVATION FACTOR DUE TO WHICH YOU PURCHASE A PRODUCT? Value for Money Various Discounts Latest Trends Attractive Advertisement Celebrity Endorsing the Brand 18% 14% 10% 20% 38% Motivation is a driving force that leads to a purchase or at least take consumer attention towards a product. The finding from our survey shows that a large number of consumers buy a product that gives number them value for their money.

20% get attracted because of the appealing advertisement. But again we see that 14% of customers get attracted because of the celebrity endorsing that product. A noticeable number of customers get motivated because of the promotional offers companies make time to time omers and 18% are fashion, style conscious and go for product that is up-to-the-minute. ZAHEER AHMED KHAN - MBA (MARKETING) BAHRIA INSTITUTE OF MANAGEMENT & <https://assignbuster.com/celebrity-endorsement/>

COMPUTER SCIENCES, ISLAMABAD Impact Of Celebrity Endorsement On Consumer Behavior & Overall Brand Value] Published in Jan. 2009 | 28

ublished DOES A CELEBRITY HELP IN INCREASING THE MARKET SHARE OF A COMPANY'S BRAND? Yes No Can't Say 18% 36% 46% Whether someone get attracted towards a particular brand because of the celebrity or not a very large not, number of consumers agree with the statement that celebrities help in increasing the market share of the company's brand they are endorsing but at the same time half the consumers do not agree with the statement and 18% consumers are neutral about the statement. WHAT DO YOU THINK, CELEBRITIES THEMSELVE USE THE PRODUCTS THEY ENDORSE? Yes No Can't Say 30% 12% 58% This was a very interesting question to ask from consumers. The answer of 58% consumers was ' No', is 12% agreed and 30% consumers were neutral about the statement that celebrities themselves use the product they endorse.

We can see a sense of untrustworthiness. This may be because of the knowledge and information consumers have. Educated consumers are certain about the consumers' usage of the brand they are using. ZAHEER AHMED KHAN - MBA (MARKETING) BAHRIA INSTITUTE OF MANAGEMENT ; COMPUTER SCIENCES, ISLAMABAD Impact Of Celebrity Endorsement On Consumer Behavior ; Overall Brand Value] Published in Jan. 2009 | 29

ublished ON A PERSONAL NOTE WHAT KIND OF CELEBRITY DO YOU PREFER THE MOST? Famous Personalities Cricketers None of the above 4% 6% Movie/Tv Stars/Models Politicians 12% 32% 46% We see a lot of advertismeent daily on TV, Newspapers, magazines and 80% of the companies use Movie/TV Stars/ Models for endorsement of their brands. 46%

consumers like Movie/TV Stars/Models. Movie/TV As Pakistanis are cricket fans so, the results were obvious.

32% people like cricketers in ads. 2% of them get attracted towards an advertisement that endorse famous personalities like Anwar Maqsood, Abdus Sitar Edhi etc. Politicians have not good reputation in our country or to be more specific, among the educated people, but still we see 4% people who like politicians in advertisement. 6% like other personalities such as Zia Muh-ud-Din, Nabeela, etc. Din, ZAHEER AHMED KHAN - MBA (MARKETING) BAHRIA INSTITUTE OF MANAGEMENT ; COMPUTER SCIENCES, ISLAMABAD [Impact Of Celebrity Endorsement On Consumer Behavior ; Overall Brand Value]

Published in Jan. 2009 | 30 LIMITATIONS - Research was limited to Islamabad City. Specifically two universities students and teachers, family members and some people in different markets.

2- The number of respondents was not adequate for such kind of research, in our case 100. 3- Most of the students of universities are not very serious about the research projects conducted in universities because they think this report/research is just for getting marks. So, there is chance that some of them might have provided wrong information. 4- There is a possibility that some respondents might have misunderstood the statements. ZAHEER AHMED KHAN - MBA (MARKETING) BAHRIA INSTITUTE OF MANAGEMENT ; COMPUTER SCIENCES, ISLAMABAD [Impact Of Celebrity Endorsement On Consumer Behavior ; Overall Brand Value] Published in Jan. 2009 | 31

Conclusion Celebrity endorsement can be a goldmine or a minefield for a company's brand building process. There have been extensive studies relating to the process of celebrity endorsement and brand-building.

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These studies indicate that celebrity endorsement has worked well in some consumer segments while failing in others. Few celebrities have been more successful than those with almost parallel fame. So the role of celebrity endorsement in the advertising space is equivocal and cannot be seen as an assured strategic tool to win profits, market share, revenues, etc. Consumers can identify the clear difference between a good script and a good brand idea. For example, while Pepsi's Reema Khan's (Action Girl) ad was seen as one with a good script, Dew's Dew Na Kiya to Phir Kya Jiya...

was seen as an insightful and strong brand idea. For all the flak it drew in its vainglorious attempts to run down competition, Thumbs-Up was seen as the only example of seamless linkage between brand positioning and brand celebrity. Brand" is the most valuable asset of any company; building its image is, thus, of paramount importance. Any thoughtless adventure can be like the Sword of Damocles upon your head. Celebrities do not make brands but ideas do. If the former were true then brands would have vanished when the hype and hoopla around the celebrities faded. Celebrity endorsement is also one of the ideas.

But, its easy to come up with new ideas; the hard part is letting go of what worked for you two years ago, but will soon be out-of-date. Therefore, it is imperative to invest in good ideas; which will bring good returns. Thus, the need of the hour is to focus less on your Return-on-Investment, and think more in terms of your Return-on-Ideas. There is an increasing challenge to the marketing manager to develop and implement an integrated marketing communication (IMC) plan to realize the true value of the celebrity endorsements. There is a gradual shift from the traditional approach of <https://assignbuster.com/celebrity-endorsement/>

showing celebrities in advertisement to making them the " spokes-person" of the brand. Companies have taken ZAHEER AHMED KHAN - MBA (MARKETING) BAHRIA INSTITUTE OF MANAGEMENT & COMPUTER SCIENCES, ISLAMABAD [Impact Of Celebrity Endorsement On Consumer Behavior & Overall Brand Value] Published in Jan. 2009 | 32 celebrity endorsement to next level by projecting brands as a way of life.

Smart companies are using their brand ambassadors in other mediums such as movies to promote their brands. Wooing the key existing and potential target customers is the trait of a successful promotion strategy. However, the marketing manager should be able to offer significant value propositions in the services / products offered to the customers.