

# Effect of celebrity endorsements on brands marketing essay



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Friedman and Friedman mentioned 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.

## **Celebrity Endorsements**

20% of all advertisements in India are endorsed by celebrities (Prakash, 2012). In support of the observation, a research shows that celebrity endorsements results in more favorable advertisement ratings and brand evaluations (Dean and Biswas, 2001) and can have a substantial positive impact on financial returns for the companies that use them (Erdogan, 2001). Though, celebrity endorsement is not a new phenomenon in India, with Hindustan Lever using super stars consistently for its “Lux” brand over the years. The number of celebrities endorsing brands has risen significantly in the past 20 years in India. Celebrities like Sachin Tendulkar, Amitabh Bachchan and Shahrukh Khan have become the advertisers’ favorite bet.

Advertising professionals in India believe that there are two situations in which celebrity endorsements can be effective. Lifestyle products like Raymond’s, Vimal etc. where celebrity epitomizes that kind of lifestyle. And in situations where customers are not sure about the product and testimonials by celebrities tend to provide required assurance. However, in this case the match between the product and the celebrity needs to be perfect. According to Paul Nayyar, a celebrity endorsement is used to achieve two ends – to get your products noticed and to show that it is tried and tested. (Prakash, 2012). Some industry insiders believe that a celebrity endorsement is effective only when it is in congruence with the product.

Theory and practice prove that the use of super stars in advertising generates a lot of publicity and attention from the public (Ohanian 1991). One might think that using a celebrity in a product/service endorsement means guaranteed success for the brand, but this is not always the case. While many companies had used a celebrity at one point or the other to endorse its product/service, only few of them have been successful in building a brand and generating long term revenues through the tactic.

## **Objective**

To study the phenomenon of celebrity endorsements for Brands and various consumer behavior models associated with it.

Examine the effect of celebrity endorsements on brands.

## **Approach**

A three step approach has been taken to achieve the objectives of the study.

Literature review to understand the various theories and phenomenon describing the use of celebrity in advertisements.

Survey analysis to understand the consumer perception of image of various celebrities seen today in Indian advertising vis-à-vis the image of the brands they endorse.

Analyze the performance of these brands in the light of their image match with their respective celebrities.

Survey Analysis: Online survey was designed to gather the consumer perception of the image of the various celebrities and the image of their

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endorsed products. Respondents were shown clips of the advertisements from the past and asked about the recall and likeability of these ads. Link to the survey is

[https://qtrial.qualtrics.com/SE/?SID=SV\\_ermIGxDswznQJk9](https://qtrial.qualtrics.com/SE/?SID=SV_ermIGxDswznQJk9)

Detailed questionnaire is attached here for reference.

Assumption: Market share of the brand can be taken as a reasonable estimator of the performance of the brand when the industry has not seen any major changes.

#### **4. Literature Review**

Celebrities have been used in advertising since late nineteenth century and since then a considerable amount of research has been done in this domain. Studies on Celebrity endorsements have been undertaken to establish source credibility and attractiveness models in advertising. These studies suggest that celebrities exert their influence on consumers through perceived attributes like expertise, trustworthiness, attractiveness, familiarity and likeability (Ohanian 1990, 1991). Another concept in theory which defines the effect of celebrities on brands is termed as the “ match-up hypothesis”. It examines the match (or fit) between the product being endorsed and the celebrity used. According to Kahle and Komer 1985; Kamins 1990 and Till and Bustler 2000, “ match-up hypothesis” maintains that an endorsement is more effective when the image or characteristics of the celebrity are well matched with the endorsed product. Friedman and Friedman (1979) concluded that the better the celebrity/product fit, as perceived by consumers, the higher the level of endorsement effectiveness. <https://assignbuster.com/effect-of-celebrity-endorsements-on-brands-marketing-essay/>

Till and Busler (2000) found that celebrity/product fit was effective for only certain measures of effectiveness such as brand attitude, but not for other measures such as purchase intention.

McGuire (1969-1987) said that one of the most reliable effects found in communication research is that expert and/or trustworthy sources are more persuasive than sources that are seen as having less expertise and trustworthiness. The literature also implies that celebrities add value through the process of meaning transfer (McCracken 1986, 1989). The “ meaning transfer model” posits that celebrities develop a persona through the types of roles they play in society as well as how they are portrayed in the media. McCracken (1989) inferred that the endorsement effectiveness depends on the meaning that the celebrity brings to the endorsement process. He described the whole Meaning Transfer process in three stages. In the initial stage, the meanings generated from distant movie performances, or athletic achievements and performances reside in celebrities. In the second stage, meanings are transferred to the product through an advertisement process. In the third stage, the meanings are transferred from the product to the consumer, where the properties of the product become the properties of the consumer.

A review of the literature revealed following other key predictors for the success of a celebrity endorsement:

**Celebrity performance:** It refers to the achievement of a celebrity in their chosen profession. When a celebrity fails to perform acceptably, as defined

by consumers, a celebrity endorser's effectiveness tends to decline (Agrawal & Kamakura 1995).

**Celebrity credibility:** Source credibility can be defined as ' a communicator's positive characteristics that affect the receiver's acceptance of a message' (Ohanian 1990).

**Celebrity expertise:** Subjects exposed to a source perceived as expert exhibit more agreement with the source's recommendation than did those exposed to a source with low expertise (Ohanian 1990).

**Celebrity trustworthiness:** Miller and Baseheart (1969) found that a highly opinionated message from a highly trustworthy communicator produces an effective attitude change, while non-trusted communicators' impact proved immaterial.

**Celebrity attractiveness:** The source-attractiveness model suggests that the attractiveness of any source is determined by the communication receiver's perceptions of the source's similarity, familiarity, and likeability. Likeability includes factors like Physical appearance, personality and social status.

When consumers perceive a celebrity as similar to them and if they are familiar with and like the celebrity, they will tend to find the celebrity more attractive. Joseph (1982) in his study on endorsers' attractiveness concluded that attractive endorsers deliver a more positive impact on the products they endorse as compared to less attractive endorsers. Caballero et al. (1989) in his study even observed that endorser attractiveness had no effect on advertising effectiveness.

## **Balance Theory**

Fritz Heider developed Balance Theory to show how people develop relationships with things and other people in the environment. It says that if people see a set of cognitive elements as being a system, then they will have a preference to maintain a balanced state among these elements. People are motivated to restore a position of balance if there is discomfort.

Fritz Heider's Balance Theory explains the effectiveness of celebrity endorsements when a well-liked celebrity uses a product. The balance theory states that people like balance in their lives and if they have a positive attitude towards a celebrity and they see that celebrity using a certain product or service, then they will likely have a positive attitude toward the product or service as well. The Principle of Attractiveness says that people are more likely to listen to a message from someone they find attractive. Conversely, a celebrity with a poor image can damage harm a brand. This phenomenon is explained below in the risks of using a celebrity.

Figure : Balance Theory

## **The Match-up Hypothesis**

Literature reveals that a spokesperson interacts with the type of brand being advertised. According to Friedman and Friedman (1979), a famous person relative to a 'normal' spokesperson is more effective for products high in psychological or social risk, involving such elements as good taste, self-image, and opinion of others. Till and Busler 1998, Martin 1996, Till and Shimp 1998 have examined the congruency between celebrity endorsers and brands to explain the effectiveness of using famous persons to promote

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brands. Results show that a number of celebrity endorsements proved very successful, whereas others completely failed, resulting in the 'termination' of the respective celebrity communicator (Walker et al. 1992)

## **The Meaning Transfer Model**

McCracken (1989) explains the effectiveness of celebrity spokespersons by assessing the meanings consumers associate with the endorser and eventually transfer to the brand. The model suggests three stages. First, the meaning associated with the famous person moves from the endorser to the product or brand. Thus, meanings attributed to the celebrity become associated with the brand in the consumer's mind. Finally, in the consumption process, the brand's meaning is acquired by the customer. The third stage of the model explicitly shows the importance of the consumer's role in the process of endorsing brands with famous persons.

Figure : Meaning Transfer Model

Source: McCracken, 1989 paper on Meaning Transfer Model

Celebrities contain a broad range of meanings, involving demographic categories (e. g. age, gender, status), personality and lifestyle types.

Madonna, for example, is perceived as tough, intense and modern women, and is associated with the lower middle class (Walker et al. 1992).

## **Risk of using Celebrities**

The celebrity may overshadow the product being endorsed – High ad recall but less brand recall and intentions to purchase. The 1996 BPL ad featuring



Amitabh Bachchan is a classic example of the phenomenon. People recalled Amitabh Bachchan more than BPL in the advertisement.

The celebrity being overexposed, reducing his or her credibility -Some spokespersons promote more than one brand. eg: Golf champion Tiger Woods has endorsed Accenture, Rolex, and Nike. Tripp et al. (1994), suggested that endorsing as many as four products negatively influences the celebrity spokesperson's credibility and likeability. These effects are independent of the celebrity, i. e. even the most liked stars can fall a prey to this phenomenon. Though these findings are found to be valid, the concept of multiple product endorsements is still prevalent in advertising.

The target audience may not be receptive to celebrity endorsers: Effect of region and culture on the selection of the celebrity for a product. In 2006 saw a surprising move from KSDL which roped in MS Dhoni as brand ambassador to endorse the soap. The purpose was to attract new generation. But it does not go along well and the entire campaign proved to be very ordinary.

The celebrity's behavior may pose a risk to the company: Since repeated pairings of a brand and celebrity strengthen the associative link consumers establish between brand and celebrity, negative information about the celebrity may negatively impact the endorsed brand (Erdogan&Baker 2000).

Post-scandal, that global consulting firm Accenture dropped Woods as a spokesman and Procter & Gamble's Gillette also announced limiting Woods' presence in its advertisements.

## 5. Survey and Advertisement Analysis

For the purpose of analysis we chose two sectors in India – Telecom sector and beverage industry in India. Primary motivation behind choosing these sectors was that no major/radical change has happened in the time period considered in these sectors. Airtel and Idea were chosen in the Telecom sector and Thumps up and Pepsi was chosen in the beverages category.

We listed down various celebrities who have endorsed these brands in the past and asked consumers about the image perception of these celebrities and the image perception of these brands. Following celebrities were considered – Mahendra Singh Dhoni, Abhishek Bachchan, Ranbir Kapoor, Shahrukh Khan, Deepika Padukone, Akshay Kumar and Salman Khan.

Picture below presents the perception map of the various celebrities on a set of pre-defined dimensions.

Figure : Perception Map of Celebrities

Figure : Perceptual Map of Brands

## 6. Airtel

### Ad Campaigns

“ Power to keep in touch” (1995-98): This era saw the beginning of mobile communication in India. Only the elite in society that could afford to keep mobile phones. Hence, it position itself in the premium category aimed at high class society.

“ Express Yourself” (2003-08): This campaign was successfully launched taking the ownership of the entire space of telecommunication and strengthening the emotional bond that Airtel had established with its customers over the years. It highlights the capability of Airtel in terms of performance and network coverage.

“ Dil jo chaahe paas laaye” (2010-2012): With the spread of Airtel in over 19 countries, Airtel decided to change its message decision strategy. The new brand logo was launched with the intention of bringing the brand closer to its consumers and as a symbol which will help ensure instant recognition across diverse international markets.

“ Jo mera hai woh tera” (2012): Airtel has launched ad campaign on Friendship day targeting youth and showcasing itself as a brand which brings friends closer. Although the craft of friendship has been deployed by all and sundry in their communication strategies , the difference is in the creative rendition of the theme.

## **Celebrity Endorsement**

Shahrukh Khan got attached with brand in the year 2002. The reason of taking him was that Shahrukh Khan’s core values of being a self-made actor with his success & glamour and hence would connect more to the masses.

Sachin Tendulkar got associated with the brand in October 2003. His dedication, innocence and performance are today seen as a driver of self-identification amongst the masses and hence he was roped in. Also, Sachin and Airtel both are leaders having similar values and personality traits like trustworthiness, friendliness, youthfulness and trend-setters.

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In the years 2003-2007 mainly three celebrities were used Sachin Tendulkar, Shahrukh Khan, A. R. Rehman. All the three are the leaders in their respective fields, so is AIRTEL.

VidyaBalan and Madhavan were used as celebrities in the year 2008.

Spontaneity and vibrancy are key attributes of Airtel. VidyaBalan is a hugely talented actress who brings a lot of freshness and naturalness to any role. Madhavan is a big superstar in the southern region. Hence Airtel picks him up to connate leadership. Saif and Kareena were also used as celebrities endorsing the brand for the year 2008.

### **Source Attractiveness and Credibility**

Airtel has used various celebrities at various times. All these celebrities have gone well with its brand image which it has tried to portray time to time. Shahrukh Khan's one of the brand endorser has core values of being a self-made actor with his success & glamour and goes well with the attributes of the brand. Perceived social value of source likability in terms of physical appearance and social status is high. Also, public has familiarity with the source and hence people are able to relate to the brand.

### **Image characteristics Match**

Following Brand characteristics and celebrity characteristics were arrived at using the survey results and secondary data.

Figure : Image Match up – Airtel

### **Balance Theory**

Figure : Balance Theory – Airtel

<http://telecomtalk.info/wp-content/uploads/2009/10/airtel-srk.jpg>

Hence the image of Shahrukh Khan doesn't actually match with the image of Airtel. The success of Airtel and its consistent market share can be attributed to the source attractiveness and credibility principle. Airtel has been able to sustain very high market share over the year.

Figure : Market Share – Airtel

Years

2007

2008

2009

2010

2011

Market Share (% terms)

22.4

23.7

24

21.8

20

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Source: Crisil Research

## **7. Idea Cellular**

Till 2007, Idea's ads were highlighting its tariff plans and network coverage. They were focused on its network coverage and promotional packages.

' A Good Idea' Campaign (2006): Idea's promotions in 2006 were based on its tariffs, service quality, and network coverage. In 2007, Idea shifted its focus to using mobile telephony to solve social issues. Idea also developed several websites to support its ads based on social issues. Idea chose to promote its brand where as its competitors focused on promoting their value added services and tariff plans.

' An Idea can change your life,' ' A good Idea,' and ' What an Idea!' (2007-11): These campaigns, based on social issues (' Education for all', ' language barrier', ' Use mobile save paper') that could be solved using mobile telephony, were acclaimed for their creativity. Celebrity endorser Abhishek Bachchan was used for all these ad campaigns.

## **Celebrity Endorsement**

Idea roped in Abhishek Bachchan to endorse its brand in October 2007 to expand its geographical presence to cover several telecom circles in India.

In the past Idea has also tied up with Indian Premier League (IPL) cricket team, Mumbai Indians, and popular players like Sachin Tendulkar and Zaheer Khan were used to promote the brand.

## Comments

Analysts felt that using Bachchan, one of the leading movie actors in India who is extremely popular among youngsters, was one of the reasons for the significant improvement in Idea's brand recall. However, some experts felt that while Idea's ad campaigns were creative and improved its brand recall, there was nothing in the ads that would attract a customer of its competitors or a new subscriber. They felt that Idea should have promoted the unique selling points of its products and services in the ads rather than only projecting the uses of mobile telephony.

## Source Attractiveness and Credibility

Perceived social value of source likability in terms of physical appearance and social status is high. Also, public has familiarity with the source and hence brand recall is high as people are able to relate to the brand.

## Image characteristics Match

Following Brand characteristics and celebrity characteristics were arrived at using the survey results and secondary data.

Figure : Image Match up – Idea

Figure : Market Share – Idea

Years

2007

2008

2009

2010

2011

Market Share (% terms)

8.4

9.2

9.9

10.0

11.0

If we look at the market share of Idea it has not increased significantly over the years. Though the celebrity status of Abhishek Bachchan has been able to generate a good recall (also supported by our survey results), it has not been able to convert to the brand purchase, due to the image mismatch with the brand.

## **Balance Theory**

Figure : Balance Theory - Idea

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## **8. Thumps Up**

Thumps Up has always been about a highly glorified, desirable world of masculinity that every youngster seeks. This comes from the characteristics of the product itself – which is a harder, less sweetened, more raw cola, as compared to the almost toned-down nature of its competitors.

### **Campaigns through the years**

Happy days are here again (1977 – 1980): Positioned as a refreshing drink, emphasized on happiness.

Taste the Thunder Campaign (1988 – 2012): Initially positioned as an individualistic masculine brand, but over the years went on to add adventure, confidence and playfulness. It was used to connect with the young Indian male. This campaign featured Salman Khan, Sunil Shetty and Akshay Kumar over the years.

Khatron Ke Khiladi (KKK) show on Colors Channel (2011): Thums Up was the title sponsor for the show. The show was completely integrated with brand Thums Up – from the concept to approach as it had adventure and daring stunts. Also, Akshay Kumar, who is Thums Up's brand ambassador, hosted the show.

Aaj Kuch Toofani karte hain (2012): In this campaign, the brand challenges its loyalists to push the envelope and do something daring or 'toofani'. It urges its consumers to 'Live the Thunder' and unlock the new code of masculinity. The television commercial features South Indian actor Mahesh

Babu, Dhaval Thakur (winner of Khatron ke Khiladi 2011), Sahil Shroff (actor) and Angela Jonsson (model who appeared on Kingfisher Calendar).

## **Celebrity Endorsements**

Thums Up has been using celebrities to endorse its brand through the years. It picked up action heroes like Salman Khan, Sunil Shetty and Akshay Kumar. For the Andhra Pradesh region which is the biggest market for the brand they roped in their most revered star Chiranjeevi. Recently they got the latest sensation in Andhra Pradesh, Mahesh Babu to endorse the brand.

1999 – 2000: Salman Khan

1999 – 2000: Sunil Shetty

2002 – 2012: Akshay Kumar

2012: Mahesh Babu

## **Image characteristics Match**

Following Brand characteristics and celebrity characteristics were arrived at using the survey results and secondary data.

Figure : Image Match Up – Thumps Up

In 2002, Akshay Kumar was roped in as the brand ambassador and the brand continued to strengthen its position as a Male Iconic Brand through consistent positioning. His training in martial arts and his raw, rugged looks have enhanced the coolness and macho quotient of the brand.

According to the survey results, Thums Up Ad featuring Akshay Kumar had better recall than the ad featuring Salman Khan. This can probably be explained by the image characteristics associated with the brand. They are more in sync with the image characteristics of Akshay Kumar.

Figure : Balance Theory - Thums Up

The market share of Thums Up increased in 2009. It was when they launched a new campaign that took the whole idea of ' I Will Do Anything for My Thunder' attitude of the Indian male to the next level with Akshay Kumar in the commercials.

Figure : Market Share - Thums Up

Brand

2008

2009

2010

2011

Thumps Up

14. 9

16. 3

16. 7

16. 5

Source: Euromonitor

## **9. Pepsi**

Pepsi is a brand that stands for its youthfulness, irreverence, and dare for more spirit. Pepsi has always introduced new youth expressions as part of its campaign launches. Popular Pepsi lines have reflected the young generation's attitude and values besides standing for an irreverent point of view.

### **Campaigns through the years and Celebrity Endorsements**

YehiHai Right Choice Baby Aha (1991): This campaign with stars and glamour was an adaptation of an international Pepsi campaign. It featured Aamir Khan, MahimaChaudhary and AishwaryaRai.

Yeh Dil Maange More (1999 – 2006): This campaign sought to establish Pepsi as a strong brand with Indian youth and the phrase became a runaway success. The ads featured prominent sports personalities and film stars, such as Sachin Tendulkar, Shahrukh Khan, AmitabhBachchan.

Yeh Pyaas Hai Badi (2005): With a peppy jingle “ Oye Bubbly” to spearhead the campaign, Pepsi latched on to the tagline, YehPyaasHaiBadi. It was mainly promoted through Shah Rukh Khan, PreityZintaandSaif Ali Khan. The campaign was all about a bigger thirst to get more out of life. It was about the assertive spirit and confidence of the youth to make things happen.

Yeh Hai Youngistan Meri Jaan (2008): This campaign attempted to capture not only the youth attitude but also the great sense of optimism, success and buzz about India and the Indian youth. With the “ Youngistaan” campaign Pepsi branded the new generation. As the name suggests, it represented a world of the youth, where the young generation likes to be in control. It brought forward their never failing attitude, their desire to take on challenges and the power to turn things around. The Youngistaan idea captured the energy, excitement and irreverence of the young confident India. For this campaign Pepsi signed on fresh faces like RanbirKapoor and DeepikaPadukone.

My Pepsi My Way (2009): Reiterating its connect with cricket and the youth, PepsiCo rolled out a this campaign featuring five cricketers: MS Dhoni, VirenderSehwag, Ishant Sharma, Robin Uthappa and Praveen Kumar, playing cricket on boats. Through this campaign brand Pepsi provoked the youth to take on any situation and use their mental smarts to effortlessly find their way through any given situation.

Youngistan ka Wow (2010): While keeping the brand identity of youthfulness intact, this campaign of Pepsi took forward the concept of Youngistaan. The campaign featured RanbirKapoor.

Recently, Pepsi has dropped Sachin Tendulkar and Shah Rukh Khan as its brand endorsers because now they have grown old and do not go well with the “ Youngistan” concept. The new Indian youth and the brand image of Pepsi now relates more with the next generation of young stars and cricketers.

The brand has been endorsed by the celebrities (like RanbirKapoor, DeepikaPadukone and young cricket stars) that match up with its image since 2008. The highly relevant characteristics of these endorsers are consistent with the highly relevant attributes of the brand.

### **Image characteristics Match**

Brand attributes of Pepsi go well with the image of Ranbir Kapoor more than the image of Shahrukh Khan and it is evident from the increase in market share at the time when Ranbir Kapoor was roped in as the celebrity endorser for Pepsi. Following Brand characteristics and celebrity characteristics were arrived at using the survey results and secondary data.

Figure : Image Match up – Pepsi

Figure : Market Share – Pepsi

Brand

2008

2009

2010

2011

Pepsi

14. 5

14. 9

14. 9

15. 0

Source: Euromonitor

There was an increase in the market share from 2008 to 2009. This was the period when the “ Youngistan” campaign was launched with Ranbir Kapoor as the new generation brand ambassador whose image of youthfulness, self-belief and smartness is consistent with the brand image.

## **Balance Theory**

Figure : Balance Theory – Pepsi

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## **10. Implications for Marketers**

Celebrities endorsements have not always been successful and even the biggest of the celebrities have failed to bring the desired revenues to the companies. It is essential for an advertiser to be aware of the complex processes associated with the celebrity endorsement.

Our report provides insights into the various models in the celebrity endorsements and assesses them in Indian context. Insights from the report can help marketers decide when to use a celebrity and when celebrity endorsements pay off. This will help in optimizing the spending on the advertisements.

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