

The use of celebrity endorsement in advertising



“ Aamir Khan to endorse Mahindra’s new motorbike Stalio”, “ Saif Ali Khan is the chotte nawab of Taj Mahal tea”, “ Fanta gets a new face Genelia D’Souza” etc. These are the some of the very common headlines that we read or hear for new product launches. It is as if product branding and promotion is incomplete without its association with a celebrity. Globally the trend of celebrity endorsements began in the 19th century with the launch of Cadbury’s cocoa which was endorsed by UK’s Queen Victoria. In India it started with the endorsement of LUX soap by Leela Chitnis; however, the trend here has become the favourite tools of the marketers primarily in the last five years. Endorsements, appearances and performances are well on its way to become a 1000 crore business and it is the top 50 celebrities who garner more than 80 per cent of all endorsement money.

Snippet - If we delve more in the recent data announced by TAM Adex then we will find that female actors had 45% share of endorsements on television as compared to 42% share of the male actors. Sports personalities bagged a share of 10% in the first half of 2010. This just goes to show that women endorsers work best for the brands especially FMCG goods as they are more able to convince the women decision makers of the household.

Psychology behind celebrity endorsements -

Studies in consumer behaviour have revealed that celebrity endorsements work these days mainly because of the cultural and attitudinal changes in the Indian consumers. The whole societal structure has undergone a transformation. Initially the concept of joint family was quite prevalent and all the decisions starting from the grocery of the household to buying

motorbike were taken only after consulting the adults of the family. The family structure existing in the present scenario is nuclear and thus human psychology which still searches for advice and guidance when it comes to purchasing new things finds itself vulnerable to celebrity endorsements. Consumers become easy targets to influence and celebrities become role models. Also, the simple channel of communication originating from the sender and reaching the receiver via a medium is not that simple anymore. There is too much noise in the middle and too much information available. It is because of this brand clutter that consumers resort to other modes of finding information about a particular brand. In post modernist terms consumers experience a black hole syndrome and so to free themselves of further trouble they follow what their favourite celebrities have to say. This is the main theory behind the success of celebrity endorsement in recent times.

Why use a celebrity for brand endorsements ?

Brand Credibility - Certain brands positioning is such that it is an extension of personality of one or the other celebrity. For example, Aamir Khan is associated with perfection, innovation, professionalism and versatility and thus it makes sense for the brand which stands for the above mentioned qualities to get endorsed by Aamir Khan like Tata Innova, Mahindra Stalio etc. This makes the brand more credible in the eyes of the consumer.

Brand Attention and Recall - Celebrities do make the eyeballs turn like it has been seen in case of Slice, endorsed by Katrina Kaif. According to a report released, Slice got a decent edge over other drinks in the same category like

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Maaza and Frooti after the 'Aamsutra' commercial. Nakshatra's recall was as high as 70 per cent after Aishwarya Rai's marriage.

Brand Revitalisation - Association of a celebrity can improve the tarnished image of a brand. The most famous example in this regard would be that of Cadbury India whose net profit dipped 37 per cent after the worm infested batch of milk chocolate was introduced into the market in 2003. Amitabh Bachchan has a powerful impact on the minds of the consumer and thus involving the celebrity in the project Vishwas gave a new life to Cadbury with its share value going up to 71 per cent in 2004. Also, Aamir Khan as a stubborn Bengali fought for Coke after the pesticide controversy.

Brand Connect - Consumers inevitably tend to connect the celebrity with the brand. Dabur had roped in Amitabh Bachchan for 8 crores but then it did not just stop there. Brands do need to change the way they use the celebrities so that they never lose their consumer's attention. Thus, Dabur also has Bhojpuri star Ravi Kishan to endorse Chyawanprash in UP and Bihar.

Snippet (H1 '2010) - 'Aerated soft drink' was the top category in celebrity endorsements on TV.

'Lux toilet soap' was the most advertised brand under celebrity endorsements on TV during.

'Bollywood actress' had the maximum advertising share of 'celebrity' endorsements on TV during.

Celebrity Endorsements might not always work -

Brand Reputation - Since the consumers relate the brand with the celebrity directly, reputation of the brand suffers with the reputation of the celebrity. For example, after Salman Khan's involvement in the road accident under the influence of alcohol all the brands endorsed by Salman suffered a setback.

Multiple Brand Endorsements - If one celebrity is endorsing more than one brand then consumers cannot really link their celebrity with one particular brand and thus all the brands in a way suffer a loss of recall. Amitabh Bachchan, Sharukh Khan, Sachin Tendulkar and more recently Mahindra Singh Dhoni are known for endorsing too many brands because of which consumers get confused and thus the whole purpose of celebrity endorsements fall apart.

Brand Misfit - Like mentioned earlier only those celebrities should be endorsing the brand whose personality is an extension of the brand, otherwise the consumer feels detached. Amitabh and Abhishek Bachchan endorsing Versa was a total misfit as consumers could not digest the fact that celebrities of their stature would be driving a B-segment car.

Brand Promise - In the marketing mix, celebrity endorsements would be a part of the promotion but unless the other three Ps are proper the whole communication effort is of no use. For example, Fiat Palio endorsed by Sachin Tendulkar was a huge success initially but after the news of its poor mileage spread the sale of the car dip.

Current Scenario -

Celebrity endorsement in the Indian advertising market is on the rise. Every year crores of rupees are spent on the celebrities to endorse the brands. Sachin Tendulkar's price is believed to be between Rs. 2.0-2.5 crore per endorsement, and musician A. R. Rehman, who had signed up with AirTel, is believed to have picked up Rs. 1.75 crore. Film-star Hrithik Roshan was rumored to have picked up Rs. 2 crore for the Fly With Hrithik campaign to push Close-Up, and Shahrukh Khan's rate seems to be between Rs. 2.5-3.0 crore. Aishwarya Rai apparently picks up Rs. 1.25 crore for an endorsement and the Indian cricket captain Saurav Ganguly is believed to get between Rs. 90 lakh to Rs. 1.5 crore, while film-star Aamir Khan apparently makes Rs. 1.5 crore per endorsement. According to a FICCI-KPMG report, advertising spend in India is expected to grow at a 12.4 per cent rate over the next five years. It grew at CAGR (compounded annual growth rate) of 17.1 percent in the past three years. There is an increasing emergence of celebrity endorsements in South India as well. R Madhavan endorses Pepsi.

Endorsements by Sports celebrities – Bollywood accounts for 80 per cent share of TV endorsements but MS Dhoni emerged as the top endorser of brands once again in the year 2010. Sania Mirza is now known as the face of Sprite. With India doing well in the field of sports and with the introduction of IPL, sports stars though not as popular as Bollywood stars have been endorsing a lot of products. Thus, consumers are relating brands with their favourite sports stars as well.

The graph shows the most popular Indian celeb in the sports world.

Snippet – Star-struck India is among the heaviest users of celebrity endorsements. In 2001, 25% of all TV advertisements carried a known face. By 2008, this had grown to 62% and continues to grow. In 2009, the top five brand ambassadors – MS Dhoni, Shahrukh Khan, Katrina Kaif, Sachin Tendulkar and Priyanka Chopra – endorsed 68 brands with Dhoni leading the pack at 19 brands.

Conclusion –

With the examples stated above we can clearly draw this conclusion that hiring a celebrity, be it a sports or a Bollywood star has its advantages and disadvantages. They need to be used effectively and should not be a misfit with the brand and also it should not be forgotten that celebrity endorsements is just a promotion tool in the IMC plan, unless the marketing mix for the product is appropriate the brand will not survive. Consumer's mind can be played with only in the initial stages. Consumers are smart and can differentiate a good product from a bad one. Thus, hiring celebrities works only if other aspects of marketing are in place.