

# Brand ambassadors and consumer behaviour their impact study



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- 4. 1 FINDINGS

According to McCracken's (1989) definition, a celebrity endorser is an individual who enjoys public recognition and who uses this recognition on behalf of a consumer good by appearing with it in an advertisement (marketing communication). Celebrity endorsement is expected to influence the feelings of the consumers and also influence the attitude consumers have towards the advertisement and attitude towards the brands, which can increase the purchase intentions and consequently increase sales. A celebrity endorser used in an advertisement can be interpreted as a reference group or an aspiration group.

To become 'associated' with this group, consumers are willing to behave like members of the aspiration group. This means that consumers are trying to behave in the same manner, e. g. try to use the same symbolic meanings - of the aspiration group. This means that a celebrity endorser can be interpreted as the 'personality' of the reference group. The reference group 'rich and famous', which often correspond with the way the 'celebrities' live, is frequently indicated as an aspiration group of which consumers like to be part of.

With the opening up of the Indian economy in 1991, the country witnessed for the first time aggressive competition between new players and big established businesses. The various industry segments until then were identified by only one or two companies, primarily owing to the protectionist policy of the Government. This new open competition spilled over to the

advertising arena, where the Indian advertising industry heard a new demand from its clientele: a requirement for a 'known face' to endorse the client's product and generate new-found sales. Thus was born the celebrity brand endorsement saga that in India today is a multi-million dollar industry.

Today, the celebrity endorsement industry is worth Rs. 550 crore and is growing at high double digit growth rate ranging between 60- 80%. Experts predict the growth rate to touch even triple digits, soon. Today almost 60% of Indian brands use celebrities in some form or the other; a steep climb from 2001, when only 25% of brands needed such razzle-dazzle. A top-notch celebrity like Sachin Tendulkar could charge over Rs 5 crore for a single endorsement.

If you were to collate all the commercials featuring ShahRukh Khan in a year on all channels, and play them on a television set, they would run non-stop for 49 days! The undisputed star endorses 39 brands across 25 categories (eight brands in 2003), and appears for 4. 25 million seconds annually on the idiot box. It is a similar story for the others too. Amitabh Bachchan endorses 36 brands across 23 categories. He was seen in commercials for approximately 3.

16 million seconds in 2007. Then, there are cricket superstars like Sachin Tendulkar (21 brands), MS Dhoni (24 brands). Other types of endorsers can be equally effective but cost much less.

## 1. 2 TYPES OF ENDORSERS

An endorser is a person, character or organization that speaks or appears in an ad in support of the advertiser or its claim. The terms endorser includes the terms spokesperson or model.

Endorsers can be grouped into three broad classes: 1. Experts. 2. Celebrities3.

Lay endorsers. Experts In January 1956, Procter and Gamble launched Crest toothpaste with the theme of cavity prevention. Despite heavy advertising over four and a half years, Crest achieved only a 12 per cent market share versus Colgate's 35 percent. Colgate had been the leading brand of toothpaste in the US market for many decades.

Then in August 1960, crest won an endorsement by the American Dental Association as the only toothpaste that prevented dental cavities and one of only three means of fighting dental cavities. A massive advertising campaign announcing that endorsement catapulted crest into the leadership of the toothpaste market, a position it still retains. Experts are individuals or organization that the target population perceives as having substantial knowledge in a particular area. Typically experts are chosen because of the knowledge they have accumulated through experience, training or study. Various organizations such as the Indian Medical Association, the Indian Dental Association, will certify the quality of products, sometimes through awarding seals of approval.

A seal of approval is a logo of the certifying organization that appears on the products package or ad and states that the certifying organization vouches  
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for the merits of the product. In some cases the organizations are paid by the manufacture of the products, while in other cases the endorsement is made in the public interest. Celebrities India does not have a single legislation, order, rule or judgment that defines a celebrity (not even the 20-odd court decisions where the term celebrity appears). In the absence of a legal definition a celebrity refers to an individual who is known to the public for his or her achievements in areas other than that of the product class endorsed . They are individuals or characters who are known to a large portion of the general population, primarily because of the publicity associated with their lives.

This is true for classic forms of celebrities, like actors (e. g. , Amitabh Bachchan, ShahRukh Khan, Rani Mukherjee Aamir Khan and Pierce Brosnan), models (e. g. , Mallaika Arora, Lisa Ray, Aishwarya Rai, Naomi Campbell etc), sports figures (e. g.

Sachin Tendulkar, Zaheer Khan, Sourav Ganguly, Anna Kournikova, Michael Schumacher, Steve Waugh, etc), entertainers (e. . , Cyrus Broacha, Oprah Winfrey, Conan O'Brien), and pop-stars (e. g.

, Madonna, David Bowie) – but also for less obvious groups like businessmen (e. g. , Narayan Murthi, Donald Trump, Bill Gates,) or politicians. Celebrities appear in public in different ways and when celebrities act as spokes-people in advertising to promote products and services, it is referred to celebrity endorsement. Lay Endorsers Lay endorsers are unknown individuals or characters that appear in ads, just like Harry, Louise and Libby. They are

selected to closely resemble the target segment, enabling the target segment to identify with the endorser and the message.

The three categories of endorsers are not mutually exclusive. Sustained and effective use of lay endorses over time may make them celebrities in their own right. Also some individuals could belong to more than one category depending on the product they endorse. Since sports celebrities frequently endorse sporting goods as well as other products, there may be an especially large overlap in classifying endorsers from the world of sports as experts or celebrities.

### **1.3 HISTORY OF CELEBRITY ADVERTISING**

Businesses have been looking to celebrities to sell their products for almost 100 years.

As early as 1899, celebrities were hocking off cigars and patent medicines for local businesses. The earliest dated endorsements of products by celebrities may have even happened by accident. Koda's Cigarettes began including baseball cards in their packs of cigars; the baseball cards were intended as gifts to loyal customers. The most famous of these is from 1910 of Honus Wagner, worth well over \$500, 000 in today's market. As the packaging popularity rose, and people began buying the cigarettes for the cards, advertisers realized the potential of this new phenomenon.

In no time, celebrity endorsements began to flood the United States. Up until the early 1930's, athletes were among the biggest celebrity endorsers. They continued to endorse products through trading cards for anything from bread

to cigars to patent medicines. But, by 1935, a new trend had begun. Celebrities had actively begun promoting products and businesses.

No longer were their endorsements merely that of an image on a card. For the next 15 years, until the inception of TV in the American household, athletes dominated the advertising market. By 1945, celebrity endorsements saw a switch from athletes to TV ; amp; movie personalities. Movie stars, such as Charlie Chaplin, became the mainstream of American advertising.

Movie celebrities continued to be the popular choice of product endorsements for the next 40 years. Then, with the rise of color TV in 1965, the TV celebrity saw a surge in popularity over the movie screen celebrity. By 1975, the number of TV spots featuring a celebrity had jumped to one in eight. The celebrity boom had reached such a large hype that a new industry known as “ celebrity brokering” formed. These “ celebrity brokers” still exist today; they are specialists in matching up advertisers and name performers.

The largest such company at the time, Berg-Albert Corp. in Beverly Hills, Calif. , billed over \$12 billion for about 400 deals alone within the first two years of its formation. On top of brokers, a system for scoring celebrities was also developed. Celebrities were given a Q rating based on their enduring popularity and recognition. Advertisers often consulted the Performer Q score to estimate a Celebrity’s endorsement potential.

Compiled by Marketing Evaluations Inc. in Port Washington, N. Y. , the Q value is an annual composite of a celebrity’s familiarity and likeability calculated from consumer-panel data.

The company gives advertisers access to a list of approximately 1, 500 nationally known performers, personalities, and celebrities (but not political figures, fictional characters, deceased persons, or “ jet-setters”). The Q scores became the means by which advertisers based their selection of a potential celebrity endorser. The market for celebrity endorsements became so tremendous by 1978, that companies began creating products around celebrities. However, by 1985 the trend of the TV/movie star endorser began to fade.

In 1984, Nike discovered the strength and power of advertising in a young, highly talented basketball player hailing fresh from North Carolina. His name was Michael Jordan. For the first time in a long time, an athlete had existed that personified an image. The image,” Nike believed, would push them into the upper echelon of global mega brands. Since Michael Jordan became a superstar in the NBA, advertisers have placed a stronger emphasis on the athlete endorser. In 1989, Coke employed 59 different celebrities.

Of those 59 celebrities, 48 were athletes. There was also a flux of sporting goods companies and those products closely associated with sports (i. e. shoes, clothing) that saw a surge in celebrity advertising.

Nearly three-quarters of all active/sports products were endorsed by athletes. During the 1980s, cartoon characters also became popular celebrity endorsers. Fred Flintstone was among one of the most popular animated celebrities of the 80s. The trend of athlete endorsements has continued into the next century. Though in recent times, the TV/movie personality has seen resurgence in their popularity as an official endorser of a product.



The newest trend to hit the market in the realm of celebrity advertising has been with the public announcement of contracts with celebrities for advertising. Between 1990 and 1997, there were 207 cases of endorsements for which public announcements were held. In the last few years, an even newer trend with respect to celebrity endorsements has begun to gain in popularity. Celebrities' characters are beginning to push advertisements in their regular shows and movies through product placement and branded entertainment. For example, in a Friends episode the cast members buy their furniture from Pottery Barn, throughout the entire show promoting the product. No matter what the case, celebrity endorsements have proven to be an enduring success.

Nearly 20 percent of American network television commercials employed celebrities by 1999. Celebrities flood the advertising scene, whereas today, it is not uncommon to see three well-known celebrities supporting brands in one commercial break alone.

### **1. 3. 1 CELEBRITY ENDORSEMENT IN INDIA**

#### **Phase 1: The Pioneering Phase (1950-1980)**

This phase was characterized by: 1. Limited channels of communication.

2 Demand exceeded supply. 3. Heavy regulation and governmental regulations. Some bigger companies from their global experience introduced the concept of celebrity endorsement. HLL has used Hindi film stars to endorse their beauty soap Lux since the fifties.

**Phase 2: The Growth Phase (1980-1990)**

The introduction of television added a variable effective medium of communication. Indian stars going global with events like Asiads and World Cup victory. One of the first sports endorsements in India was when Farokh Engineer became the first Indian cricketer to model for Bryl cream. Vimal; Thums-Up, Gwalior and Dinesh are some of the other brands that used star-appeal in the early days of mass advertising. There was a spurt of advertising, featuring stars like Tabassum (Prestige Pressure-cooker), Jalal Agha (Pan Parag Pan-masaala), Kapil Dev (Palmolive Shaving Cream) and Sunil Gavaskar (Dinesh Suitings).

**Phase 3: Globalisation**

In highly competitive markets, the following realities about brand management exist: 1.

Product differentiating factors are duplicable and imitable. 2. All long existing and successful brands imbue their products with a meaning. The meanings cannot be ephemeral expressions but they have to be strategically decided. This explains why a company like Nirma was not able to launch its tooth-paste product.

**1. 4 DIFFERENCE BETWEEN BRAND AMBASSADOR & BRAND FACE**

A Brand Ambassador would be one who is not only a spokesperson for the brand but also an integral part of the brand persona and helps to build an emotion, which goes beyond just appearing on TV commercials. He takes up the cause of a Brand Champion and is associated with every aspect related

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with the brand. What is more, there is a significant difference between making just an endorsement for say, a shampoo or an automobile, and being that brand's alter ego. Both parties take the latter far more seriously to the deal.

So a brand ambassador would be involved in press releases, he/she would be actively participating in any sales promotion, sporting the Brand all the while. For example, Fardeen Khan is the brand ambassador for Provogue while he remains a brand face for Lux Body Wash. On the other hand, a Brand Face would be the current celebrity who is just used as a tool to increase brand recall and is only appearing in the advertisement. It is usually seen that a brand face is a temporary contract and is very short term at times. An example would be Sona Chandi Chawanpryash using Sourav Ganguly for a while in its commercials.

Brand faces are easily forgotten and fade away with the campaign's end.

## **1.5 UNDERSTANDING CONSUMER BEHAVIOUR**

Consumer behaviour is the study of how people buy, what they buy, when they buy and why they buy. It attempts to understand the buyer decision-making process, both individually and in groups. It studies characteristics of individual consumers such as demographics, psychographics, and behavioral variables in an attempt to understand people's wants.

It also tries to assess influences on the consumer from groups such as family, friends, reference groups, and society in general. The study and knowledge of consumer behavior helps firms and organizations to improve their marketing strategies and product offerings. Following are the important <https://assignbuster.com/brand-ambassadors-and-consumer-behaviour-their-impact-study/>

issues that have significant influence on consumer's psyche and their ability to take decisions:\* The psychology of how consumers think, feel, reason, and select between different alternatives (e. g. , brands, products);\* The psychology of how the consumer is influenced by his or her environment (e. . , culture, family, signs, media);\* The behavior of consumers while shopping or making other marketing decisions;\* Limitations in consumer knowledge or information processing abilities influence decisions and marketing outcome;\* How consumer motivation and decision strategies differ between products that differ in their level of importance or interest that they entail for the consumer;\* How marketers can adapt and improve their marketing campaigns and marketing strategies to more effectively reach the consumer. Their Age, Religion, Culture, Income, informal group and Referent Group. Understanding these issues helps us adapt our strategies by taking the consumer into consideration. For example, by understanding that a number of different messages compete for our potential customers' attention, we learn that to be effective, advertisements must usually be repeated extensively. We also learn that consumers will sometimes be persuaded more by logical arguments, but at other times will be persuaded more by emotional or symbolic appeals.

By understanding the consumer, we will be able to make a more informed decision as to which strategy to employ.

### **1. 5. 1 CONSUMER DECISION-MAKING PROCESS**

The consumer decision making process is very complicated though on first sight it does not look so.

Process starts with problem recognition or with an unsatisfied need. This need can be Psychological, attitudinal or Physiological but yes it should have the capacity to be fulfilled by consuming a particular product or service. To satisfy the given need what all are the components that should be taken into consideration and how one can maximize the satisfaction is the next stage. In this stage, one will consider ability to purchase, level of involvement, people whose opinion will count and other relevant details that will help in optimizing satisfaction. Based upon information search one will generate various alternatives i. e.

which brand or product is affordable for me, where will it be available comfortably and above all in comparison to other brands or products how better or economical it is. Figure 1. 1 Consumer Decision Making Process Evaluation stage will look like cost benefit analysis and based upon maximum value or utility per rupee spend, we will decide or shortlist the product or brand. This is the decision and confirmation stage where the consumers prepares himself for the purchase of a particular brand and give preference to one and only one over and above the others. | Next comes the purchase when the consumer will finally go to the market and look for the brand or the product, physically verifies it and purchases it.

Last is the post purchase Evaluation in which the customer wants to justify his consumption or purchase decision. He tries to find out whether his purchase decision was right or not. Companies make lot of effort to tackle this situation successfully and they want the customer to be satisfied with their product.

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## 5. 2 IMPACT OF A BRAND ON CONSUMER PURCHASE DECISION

Research studies have proven that known products and names are sold more than unknown ones. Therefore, a known brand or an optimally exposed brand will find more recognition and buyers in the market in comparison to completely unknown or unexposed brand. Recognition of brand and its significance along with the traditional factors plays a very significant role in consumer decision-making process.

More or less every consumer has a brand preference and given the affordability and societal norms, each buyer would like to buy and consume one of the highly acceptable, recognizable, and reputed brands. Brand Preference | Figure 1. 2 Consumer Decision Making Process and brand preference The above given model explains the important role that a brand plays in three different stages of consumer's purchase decision making. A consumer start collecting data or information about his favourite brand than he keeps his favourite as one of the alternatives and he evaluate his selected brand against all available options and on finding it suitable or best among all options based upon a qualitative and quantitative evaluation he will ultimately purchase the selected or favourite brand. Consumer's Final product choice Traditional Factors Brand Preference Purchase Decision Process Figure 1. 3 Impact of Brand ; amp; Other factors on Consumes Purchase Decision.

The diagram above explains how various traditional factors along with brand preference interact during purchase decision process and finally results into a consumer's final product choice or ultimate purchase.

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## **1. 6 CELEBRITY AND A BRAND**

Surveys suggest that compared to any other types of endorsers, famous people achieve a higher degree of attention and recall. They increase awareness of a company's advertising as well as help in retention of message in the psyche of the audience.

They can also help the company in reducing their expenditure on Media and other forms of publicity. An example will bring more clarity. When S Kumars, a known textile brand entered into readymade garments business they used Hritik Roshan, then the hottest advertising icon for their launch advertising for TAMARIND, now one of the premium readymade brands. They reckoned that they have spent 40-50 percent less on media due to sheer impact of using hottest star like Hritik. The Ad recall was as high as 70 percent and the campaign can be termed as a great success.

Celebrities also create positive feelings towards brands, connect user to brand and are perceived by consumers as more entertaining. Using a celebrity in advertising or for any other type of communication for brand building is likely to positively affect consumers' brand preference, brand attitude, brand association and purchase intentions. To ensure positive results, however, it is critical for advertisers to have a clear understanding of consumer's reactions and reinforcement of celebrity endorsement. The impact of celebrity endorsement on any brand as well as on consumer's purchase decision is very critical.

## **1. 7 CURRENT THEORETICAL UNDERSTANDING**

Source credibility model, source attractiveness model, match-up hypothesis and meaning transfer model (MTM) have all been used to provide theoretical background in explaining the effects of celebrity endorsement in advertising. Each model more formally explains endorser attributes and the role they play in facilitating communication effectiveness. Each model explains a mechanism by which the endorser affects consumer attitudes and behavior.

### **1. 7.**

#### **1 SOURCE ATTRACTIVENESS MODEL**

The source attractiveness model is a component of the 'source valence' model of McGuire (1985). The attractiveness model contends that the effectiveness of a message depends on source's 'familiarity', 'likeability', 'similarity' and 'attractiveness' to the respondent. Attractiveness does not mean simply physical attractiveness -although that can be a very important attribute-but includes any number of virtuous characteristics that receivers may perceive in an endorser intellectual skills, personality properties, lifestyle characteristics athletic prowess and so on. The general concept of attractiveness consists of three related ideas: similarity familiarity and liking. That is an endorser is considered attractive to receivers if they share a sense of whether the two are similar in any respect. Gabriela Sabatini, in the milk-mustache advertisement would seem to epitomize the use of attractiveness and capture all dimensions of that concept.

That is Sabatini, in addition to her physical beauty, is attractive to tennis fans who are similar to her (in the sense that they also play or enjoy tennis), are familiar with her (via watching her play on TV and reading about her) and



like her (due to her generally pleasant demeanor and fiery competitive spirit). Gabriela Sabatini, in the milk-mustache advertisement When receivers find something in an endorser that they consider attractive persuasion occurs via an identification process. That is when receivers perceive a source to be attractive; they identify with the endorser and are very likely to adopt the attitudes, behaviors, interests, or preferences of the source. In other words, an attractive endorser does not necessarily benefit a product if there is a poor matchup between the endorser and the product.

### **1. 7. 2 SOURCE CREDIBILITY MODEL**

Source credibility is used to imply a communicator's positive characteristics to affect the receiver's acceptance of a message. The source credibility model of Hovland et al.

(1953) analyses the factors leading to the perceived credibility of the communicator. In its most basic sense, credibility refers to the tendency to believe or trust someone. When an information source such as an endorser, is perceived as credible the source can change attitudes through a psychological process called internalization. Internalization occurs when the receiver accepts the endorser's position on an issue as his or her own. An internalized attitude tends to be maintained even if the source of the message is forgotten or if the source switches to a different position. Two important properties of endorser credibility are expertise and trustworthiness.

Expertise refers to the knowledge, experience or skills possessed by an endorser as they relate to the communications topic. Hence, athletes are

considered to be experts when it comes to the endorsement of sport-related products. Expertise is a perceived rather than an absolute phenomenon. Whether an endorser is indeed an expert is unimportant. All that matters is how the target audience perceives him or her.

An endorser perceived by an audience as an expert on a given subject is more persuasive in changing audience opinions pertaining to his or her area of expertise than an endorser who is not perceived as possessing the same characteristic. This no doubt explains the extensive use of athletes to endorse sports-related product. Trustworthiness refers to the honesty, integrity and believability of a source. While expertise and trustworthiness are not mutually exclusive, often a particular endorser is perceived as highly trustworthy but not particularly expert. An endorser's trustworthiness depends primarily on the audience's perception of his or her endorsement motivations.

If the audience believes that an endorser is motivated purely by self-interest, he or she will be less persuasive than someone the audience perceives as having nothing to gain by endorsing the product or as being completely objective. Advertisers capitalize on the value of trustworthiness by selecting endorsers who are widely regarded as being honest, believable and dependable people. Titan uses Aamir Khan in his different avatars for communicating to the public that their watches are as reliable and passionate as Aamir is for films. Aamir carries the message well and enhance the credibility of the brand.

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### **7.3 MEANING TRANSFER MODEL (MTM)**

Meaning transfer model provides insight to explaining the complicated process of celebrity endorsements in advertising. McCracken (1989) explains the effectiveness of celebrity spokespersons by assessing the meanings consumers associate with the endorser and how that eventually transfers to the brand. The central premise of the meaning transfer model is that a celebrity encodes a unique set of meanings that can, if the celebrity is well used, be transferred to the endorsed product.

The model is divided into three stages: culture, endorsement and consumption. Figure -1. 4Meaning Transfer Model According to McCracken (1989) celebrities are different from the anonymous models (or anonymous actors) that are normally used to bring the advertisement. Anonymous models offer demographic information, such as distinctions of gender, age, and status, but these useful meanings are relatively imprecise and blunt. Celebrities offer all these meanings with special precision. Furthermore, celebrities offer a range of personality and lifestyle meanings that the anonymous model cannot provide.

Finally, celebrities offer configurations of meaning that anonymous models can never possess. Each celebrity has particular configurations of meanings that cannot be found elsewhere. In addition, celebrities are more powerful endorsers than anonymous models and actors. Even when they deliver meanings which can be found elsewhere, they deliver them more powerfully. Celebrities evoke the meanings in their persona with greater vividness and clarity.

Models and actors are, after all, merely “ borrowing” or acting out the meanings they bring to the advertisement. The celebrity, however, speaks with meanings of long acquaintance. Celebrities “ own” their meanings because they have created them on the public stage by dint of intense and repeated performance. Celebrities draw these powerful meanings from the roles they assume in their television, movie, military, athletic, and other careers.

Indeed, these careers act very much like large advertisements. Each new dramatic role brings the celebrity into contact with a range of objects, persons, and contexts. Out of these objects, persons, and contexts are transferred meanings that then reside in society. When the celebrity brings these meanings into an advertisement, they are, in a sense, merely passing along meanings with which they have been charged by another meaning process.

Or, to put it this way, the meaning that the celebrity endorsement gives to the product was generated in distant movie performances, political campaigns, or athletic achievement. It is these characteristics of a celebrity, which are passed on to the product and hence to the audience who start associating the product through the characteristics passed on by the celebrity. According to McCracken (1989) this, in broad detail, suggests, how celebrity endorsement operates as a process of meaning transfer. It is a review of each of the three stages in this process, considering in turn how meaning moves into the persona of the celebrity, how it even moves from the celebrity to the product and, finally, how it moves from the product to the consumer. Celebrities are by this account, key players in the meanings

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transfer process. For example Kurkure used actress Juhi Chawala with the punch line ' Masti Bole To Kurkure' since the actress on screen and off-screen personifies masti and helped the brand in communicating the same easily.

#### **1. 7. 4 MATCH-UP HYPOTHESIS**

The match-up hypothesis suggests that the effectiveness depends on the existence of a ' fit' between the endorsing celebrity and the endorsed brand (Till and Busler 1998). In other words, the degree of consumers' perceived ' fit' between an advertised brand and a celebrity endorser's image plays a significant role in product and ad-based evaluations.

There should be congruence between the celebrity and the product in terms of characteristics such as image, expertise or attractiveness. The celebrity-product match model states that attractive endorsers are more effective when promoting products used to enhance one's attractiveness and that their impact will be not significant in the case of a product that is unrelated to " attractiveness". The match up or congruence between the two is important because it allows for meaningful processing and makes it more possible for the brand name to be effectively linked and associated with the celebrity. It should be less difficult to associate the meanings of a celebrity with a product lacking an existing meaning than to change the existing meaning of a brand by adding new association.

In India, a brand called Reid ; amp; Taylor presented its perfect example when they first launched their advertising campaign featuring James Bond fame of the time Mr. Pierce Brosnan along with the tagline ' BOND WITH THE

BEST' but the James Bond idea did not work and the company was not happy with the results. After the debacle of the first campaign, company introduced a family ad where children are celebrating their parent's silver wedding anniversary and they are out with their father to purchase a suit for him. Even this commercial did not work and it was taken off the air.

As a last resort, company introduced Mr. Amitabh Bachchan as Reid ; amp; Taylor man, a man propagating the brand for special occasion and for very special people in life. The commercial from the initial days got good response and did extremely well as people were able to connect with Mr. Bachchan and the values he was propagating.

For the masses, there was a perfect match of an ideal Indian family man, a star and a good quality but bit highly priced brand reserved especially for special occasions and for very special people. Second example that can be quoted is of Vishwanathan Anand, who endorsed NIIT. NIIT adopted a very smart strategy by roping in Vishwanathan Anand an international chess wizard for their advertising campaign. As chess is considered to be a game full of strategies and a game for smart people and when one of the greats of the game is asking people to join NIIT it was suppose to have a positive influence on the people and actually it had. There was complete congruency and compatibility between the celebrity endorser, the product and the message.

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### **7.5 ELABORATION LIKELIHOOD MODEL (ELM)**

Involvement plays a crucial role in determining which part of the advertisement has the biggest impact on consumer preference of the brand. One model of advertising that focuses on the role of such involvement is the elaboration likelihood model or ELM. According to ELM, developed by psychologists Richard E. Petty and John T. Cacioppo, a basic dimension of information processing and attitude change is the depth or amount of information processing.

At one extreme, the consumer can consciously and diligently consider the information provided in the advertisement in forming attitudes towards the advertised brand. Here attitudes are changed or formed by careful consideration, thinking, and integration of information relevant to the product or object of the advertising. The consumer is therefore slightly involved in processing the advertisement. This type of persuasion process is therefore termed the central route to attitude change.

In contrast to such central processing, there also exists what Petty and Cacioppo termed the peripheral route to attitude change. In the peripheral route the attitudes are formed and changed without active thinking about the brand's attributes and its pros and cons. Rather, the persuasive impact occurs by associating the brand with positive or negative aspects or executional cues in the advertisement that really are (or should be) central to the worth of the brand. For example, rather than expressly considering the strength of the arguments presented in the arguments presented in the advertisement, an audience member may use cognitive "shortcuts" and

accept the conclusion that the brand is superior because:

- There were numerous arguments offered, even if they were not strong and logical.
- The endorser seemed to be an expert, or was attractive and likable.

The consumer liked the way the advertising was made, the music in it, and so on. Conversely, a conclusion may be rejected not because of the logic of the argument but because of some surrounding cues.

- The position advocated may have been too extreme.
- The endorser may have been suspect.
- The magazine in which the advertisement appears was not respected.

Attitudes resulting from central processing should be relatively strong and enduring, resistant to change, and predict behavior better than the attitudes framed by the peripheral route. However, attitudes formed peripherally can still end up determining choice, especially if the central information available to the consumer doesn't really help in selection (e. g. when the alternative brands are highly similar, or when no brand is clearly dominant). Figure 1.

5 ELM Model of Attitude Change Petty and Cacioppo have proposed the framework in the figure, which predicts when the audience member will cognitively elaborate and follow the central route. Two factors identified in the ELM as significant are an audience member's motivation to process information and ability to process information. Consumers are most likely to process centrally when both motivation and ability are high; when either is low then peripheral processing is most likely.



1.

## 7. 6 ELM AND HIGH INVOLVEMENT AND LOW INVOLVEMENT

The categorization of products into low and high involvement is based on the risk perceptions consumers have when purchasing products (which is significantly higher for high involvement products). Risk perceptions can be classified into four categories (Friedman and Friedman, 1979):(1)

Psychological risk, the fit between product image and self image.(2) Financial risk is associated with the price of the brands/products.

(3) Social risk is the fear of not belonging or not taking part to/in a reference group as a result of purchasing the ‘ wrong’ product/brand.(4) Operational risk is the risk of buying a product that does not operate the way it should do. Under conditions of high involvement, where elaboration is likely, the attitude change travels through a ‘ central route’ in which a person exercises ‘ diligent’ consideration of information that (s)he feels is central to the true merits of a particular attitudinal position. For low involvement, low elaboration likelihood, the attitude change travels through a ‘ peripheral route’ in which various simple cues associated with the issue, object, or context exert optimal influence.

This means that under conditions of high involvement, arguments but not celebrities should influence attitudes, whereas under conditions of low involvement, celebrities but not arguments should influence attitudes.

## **1.8 MULTIPLE PRODUCT AND MULTIPLE CELEBRITY ENDORSEMENTS**

Endorsement can be classified according to the number of products endorsed (single product vs. multiple products) or number of celebrities doing the endorsement (single celebrity vs.

multiple celebrities). Single product endorsement refers to an endorsement by a celebrity for one product or one brand. Single product endorsements constitute distinctive actions since the spokesperson endorses one brand and not other brands or products. Since over time celebrities are likely to endorse more than one product, single celebrity endorsement is rare.

However, this practice is found in two tobacco brand campaigns, Marlboro and Joe Camel. The Marlboro Man has been a spokesman for Marlboro since 1954. The Marlboro advertising campaign was created by Leo Burnett Worldwide and is considered one of the most brilliant ad campaigns of all time. The image of the Marlboro Man usually involves one or more rugged cowboys, featuring actors and professional athletes.

The Marlboro Man was listed as number one in the book, *The Most Influential People Who Never Lived*. Multiple product endorsement refers to when a celebrity endorses more than one brand. According to Tripp et al. (1994), some celebrities are “shared” by different advertising firms, i. e.

, they promote more than one brand. When one becomes a celebrity, he or she will likely be tempted to endorse more than one brand for financial gain.

Tiger Woods, for instance, endorses not only Nike but many other brands, such as American Express, Tag-Heuer, Buick, Accenture, etc. Multiple

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celebrity endorsement refers to the use of two or more celebrities in an advertising campaign (Hsu and McDonald 2002).

There are two sub-types of multiple celebrity endorsement based on how a celebrity or celebrities are featured in ads: Type I multiple celebrity endorsement refers to an endorsement in which two or more celebrities come together and endorse a product or brand in the same ad; Type II multiple celebrity endorsement refers to an endorsement in which different celebrities endorse the same product or brand in a series of ad campaigns overtime. It is a common advertising practice for a brand or product to be associated with various celebrities over a long period of time. American Express is a good example. To promote its credit card and enhance its brand image American Express has been using different celebrities for different advertising campaigns.

The milk mustache campaign is another prime example. More than 100 celebrities have been recruited to promote milk consumption since 1995 (Hsu and McDonald 2002). Multiple celebrity endorsement advertising may help the advertiser build a sense of consensus, avoid audience boredom and appeal to multiple audiences”.

**1.**

## **9 CELEBRITY ENDORSEMENT AND THE COMMUNICATION PROCESS**

By the 1940s, researchers realized there was more to mass communication than simple cause and effect. While mass communication has some influence, the strongest influence comes from interpersonal

communication, especially with people whom researchers called opinion leaders. An opinion leader is a peer to whom others turn for information and who influences the opinions of others.

Peers are people who are their equal, who are just like them. Opinion leaders gather information from the media and other sources, synthesize it, think about it, form their opinions about it, and pass it on to others. Figure-1. 6 Katz and Lazarsfeld Model of Communication

The idea of opinion leader became a very important one, especially for professional communicators who were trying to influence the opinions and actions of large numbers of people. When a celebrity endorses a product through a mass medium, the form of communication is considered to be interpersonal as he or she seems to be influencing you directly to purchase a product by giving his or her opinion about it after using the product and synthesising all facts related to it. Since people relate to such celebrities and are deeply impacted by their endorsements, they can easily be categorised as opinion leaders.

These opinion leaders tend to impart information coloured by their own perceptions and hence the possibility of facts getting distorted is high. Same is the case with celebrity endorsements, where people might get lured into buying a product without knowing its true characteristics.

### **1. 9. 1 THE EIGHT ELEMENTS OF COMMUNICATION**

The diagram below represents the actual process of communication.

In this diagram all forms of communication like mass communication, interpersonal communication etc. are included. Figure-1. 7 the communication process based on understanding the consumer and the use

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of celebrity endorsement . Source Source is basically from where the information (of a communication process) originates.

By “ originating” we mean the actual number of people involved in delivering the information. It may range from 1-2 individuals to a large organization depending on the type of communication process involved. 2. EncodingThe message or information received has to be passed on to the higher authority or the receiver. This process of passing on the information is known as encoding. Celebrity endorsers are usually encoders, since they are not the originators of the message but are the ones imparting it.

They thus tend to affect the way the message is decoded or interpreted by the receivers or consumers, as in this case. 3. MessageThe message is the actual idea which the sender wants to transmit to the receiver. The message could be written, verbal, non verbal or symbolic that is, the message could be in semiotics. The message should be such that is easily and appropriately transmittable through the channel of communication being used. 4.

ChannelA channel is a medium through which the sender sends the message to the receiver. The channel could be a visual medium, an audio visual medium or simply an audio medium. The message to be transmitted should be easily and appropriately transmittable through the channel of communication. 5. DecodingThe message sent by the sender has to be decoded into a form understandable by the receiver. The interpretation of a message depends upon the social environment and the social conditioning of the receiver.

Celebrity endorsements influence the interpretations of messages to a large extent as people add great value to messages transmitted through them, as in a country like India where awareness levels are low people tend to treat celebrities like heroes and thus consider them highly credible. 6.

**Receiver**The receiver is the person/ persons to which the message is directed at. In mass communications, the receivers are large in number and hence tend to be self directed.

In a country like India which harbors people from diverse cultures and backgrounds, people tend to interpret information transmitted through mass mediums according to their cultural environments. 7. **Feedback**Feedback is an important part of communication, as without the feedback the sender would not be able to make out if the receiver has been able to interpret the message in the way it was intended and hence he would not be able to make out the shortcomings and hindrances in any element of the communication process. 8. **Noise** The noise in the communication process signifies hindrance in any element of the communication process. Noises can be of three kinds; semantic, environmental and mechanical.

**Semantic noise:** A same word said in a communication process may mean different to different people according to their social and cultural differences.

**Environmental:** When the actual communication process is on and there is some noise coming from the environment/surroundings which is not required, but from it the actual communication process is hindered is called environmental noise. E. g.

dogs barking in the back ground. Mechanical : When a machine through which the message is transmitted fails to function properly such that the message being transmitted is hampered or delayed, thus hindering effective communication, it is said to be mechanical noise.

## **1. 10 SOURCE DIMENSIONS OF COPY INFORMATION**

Shown in the figure below are various source components of advertising copy.

At the center is the object of the advertising, such as the brand, product, service, idea, political candidate, and corporation and so on. The model shows the credibility of this object to depend on the sponsor, the endorser, the media vehicle, etc. Figure 1. 8 Model of the source dimensions of copy information A key source component in this model is the endorser. The endorser in an advertisement is the person, celebrity, spokesman, announcer, and so on who endorses or who demonstrates the product.

Not all components have a celebrity endorser as a copy component, but many of them do. Most of the work on source credibility in advertising has focused on this component. Another aspect is the credibility of the media element itself. The same advertisement appearing on a ladies journal can have a different impact than in playboy.

## **2. 1 INTRODUCTION**

Strategic Positioning and effective communication are the two most important “ mantras” guiding brand success in today’s competitive marketing environment. Corporate are ensuring all possible efforts to

promote their brands and to grab the customer's mind share. The impetus is on attracting the customer's attention and developing positive associations not just to influence recall but also to induce trial and eventually effect purchase decisions.

In a market where advertising plays a vital role in coordinating consumer purchases, it becomes pertinent for companies to induct all possible measures to influence motivate and inculcate desire to purchase, in the customer through an effective advertising campaign. This battle for a piece of the consumers " mind space" has lead companies to want to associate their brands with desirable and trustworthy celebrities in order to attract consumer's attention and interest. The use of celebrities as means of communication has been commonly utilized in advertising and branding. This is done because it is assumed that celebrities have a powerful effect on the affluence of the brands they endorse. According to McCracken's (1989) definition, a celebrity endorser is an individual who enjoys public recognition and who uses this recognition on behalf of a consumer good by ppearing with it in an advertisement (marketing communication). Celebrity endorsement on TV saw a whopping growth of six times during 2007 over 2003.

In 2008, 60% of all advertising rupees were spent on ads carrying celebrities  
The field of consumer behavior is the study of individuals, groups or organizations and the processes they use to select, secure, use and dispose of product, services, experiences, or ideas to satisfy needs and impacts that these processes have on the consumer and society. And understanding the consumer behavior is the prime and toughest task in front of every marketer.  
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There are a lot of factors, which influence consumer buyer behavior. This study is aimed at to understand the “ influence of celebrity endorsee on consumer buying behavior and the overall brand.

”

## **2. 2 STATEMENT OF THE PROBLEM**

Firms spend millions of dollars to sign up celebrities to endorse their products. On one hand celebrity endorsement may be seen as a means to create awareness, attract the customer’s attention and develop positive associations not just to influence recall but also to induce trial and eventually effect purchase decisions. On the other hand concerns over celebrities’ negative information, multiple product endorsement and celebrity overshadowing the brand persist. The impact of using celebrity in advertisements is an issue highly debated, many believing that celebrity endorsement does not help the brand, and others suggesting that it can turn around an ailing brand too.

Does the consumer really believe that Amitabh Bachchan wears Reid & Taylor or that Aishwarya Rai trusts L’Oreal to iron out her wrinkles, or is the mere association sufficient to influence a buying decision? This study aims to find answers to these and many such questions.

## **2. 3 NEED FOR THE STUDY**

Not long ago celebrity endorsement was definitely a way to differentiate a brand and attract the attention of the consumers. However today every alternate brand is endorsed by a celebrity and celebrity endorsement has

become common place. In this era of multiple celebrity and multiple product endorsements, celebrity endorsements would definitely affect consumers in a significantly different way that it would have a decade ago. In today's scenario how does a consumer perceive celebrity endorsements and to what extent does celebrity endorsement influence his buying decision.

Also why is it that the celebrities who create magic with certain brands fall flat on their face trying hard to get another going. Thus arises a need for a study that can provide answers to these questions.

## **2. 4 LITERATURE REVIEW**

Agarwal & Kamakura studied all endorsement contracts over the period 1980-1992. In their sample 60% of the endorsement deals involve soft drink companies and athletic shoes manufacturers.

They also provide an event study that examines abnormal stock returns on the day that a company announces the signing of a celebrity for product and endorsement purpose. Experiments suggest that in certain situations, celebrity endorsement can enhance recall and consumer assessment of the products. (Clark & Horstman, 2003) Mishra and Beauty (1990) Petty et al (1983) and Menon et al (2001) indicate that celebrity endorsements enhance brain recall. Petty et al find that subject tended to like the product more when it was endorsed by the famous athlete than by an average citizen. Mishra and Beauty found that subject tended to rate the product as better and of higher quality if it was endorsed by a congruent celebrity. Horstman and Clark 2003 provide a model that explains the success of fictional Celebrity endorsement.

They find that if there are two celebrities that achieve the same audience variable cost, the firm prefers the celebrity with lower fixed cost. In this sense, cultural icon like Ronald McDonald, Amul Girl, Pillsbury dough boy, and Dora the Explorer are the ideal celebrities as they are memorable and so have a low cost of audience reach and are fictional so do not have large endorsement fees. Tom et al. (1992) found that created endorsers were more effective in creating a link to the product than celebrity endorsers.

Prachi Raturi (2005) finds that when it comes to selling, there is nothing like a celebrity sales person. Signing a celebrity helps the brand leap out of clutter and if the chemistry between the celebrity and the brand is right, the buzz could well turn into a roar. Mehta (1994) has found that there were no significant differences for the concepts 'attitudes towards the advertisement', 'attitude towards the brand' and 'intentions to purchase endorsed brands' between celebrity and non-celebrity endorsement advertisements. When confronted with non-celebrity endorsers, consumers were significantly more focused on the brand and its features, whereas with celebrity endorsers the subjects were significantly more concentrated on the celebrity in the advertisement. However, Atkin and Block (1983) and Petty et al. (1983) have found the opposite results of Mehta (1994).

Cyber media research study published in business world unearthed different truths about celebrity endorsement. The study spread over 3 phases in different cities of India (Delhi, Mumbai, Chennai, Kolkata, Nasik, Coimbatore, and Meerut) 12 focus group interviews, 6 expert instruments and 8 expert interviews with ad agencies were conducted. Besides this survey of 480 respondent in 4 cities and 3375 respondent in 8 cities helped to develop <https://assignbuster.com/brand-ambassadors-and-consumer-behaviour-their-impact-study/>

different insights on celebrity endorsements that are given as under: (i) Over 80% of the people remembered the celebrity but forgot about the brand. (ii) Different stars appealed to different geographic groups of customers e. g. Aishwarya Rai had highest recall in down south as against ShahRukh Khan who had little appeal there. (iii) Research emphasized that ads without celebrity had a good a chance of working as one with them. For instance, Hutch ad did better jobs of building a brand then coke which had many big celebrity names associated with it.

## **2. 5 OBJECTIVES**

\* To identify the impact of celebrity endorsement on consumer buying behavior.\* To identify if celebrity endorsement advertising is more attention getting and memorable than other kind of advertising.\* To identify how is celebrity endorsed advertisement perceived. To identify who make the best celebrity endorser.\* To identify the sector for which celebrity endorsement is perceived to be most suited.\* To examine the relationship between endorsements and brand there by unearthing risks and returns related to this strategy.\* To investigate the perceptions about multiple product and multiple celebrity endorsements and impact of multiple product and multiple celebrity endorsement on recall and remembrance of advertisements.

## **2. 6 OPERATIONAL DEFINITIONS**

Endorser: An endorser is a person, character or organization that speaks or appears in an ad in support of the advertiser or its claim ExpertsExperts are individuals or organization that the target population perceives as having substantial knowledge in a particular area Celebrities: Celebrities are

individuals or characters who are known to a large portion of the general  
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population, primarily because of the publicity associated with their lives. Lay endorsers: Lay endorsers are unknown individuals or characters that appear in ads. Celebrity endorser: Celebrity endorser is an individual who enjoys public recognition and who uses this recognition on behalf of a consumer good by appearing with it in an advertisement. Brand Ambassador: Brand ambassador would be one who is not only a spokesperson for the brand but also an integral part of the brand persona and helps to build an emotion, which goes beyond just appearing on TV commercials. Brand Face: Brand face is the current celebrity who is just used as a tool to increase brand recall and only appears in the advertisement. Single product endorsement: Single product endorsement refers to an endorsement by a celebrity for one product or one brand. Multiple product endorsement: Multiple product endorsement refers to when a celebrity endorses more than one brand. Multiple celebrity endorsement: Multiple celebrity endorsement refers to the use of two or more celebrities in an advertising campaign. Low involvement product: Low involvement products are products purchased without much forethought. High involvement product: High involvement products have more involvement of the consumers. To explain it further, these products are costlier and it is risky to buy them without much thought. For example, a luxury car is a high involvement purchase. So is getting surgery done or buying a beauty product.

## **2. 7 SCOPE OF THE STUDY**

The study will be conducted on consumers in Bangalore only. This study will help to find out the influence of celebrity endorsement on consumer buying

behaviour. For this study only advertisements on television would be considered.

## **2. 8 RESEARCH METHODOLOGY**

A) Type of research This is a Descriptive Study because it aims at identifying the various characteristics of a community, but does not deal with the testing of hypothesis. B) Type of data Primary data-Primary Sources are original sources from which the researcher directly collects data that have not been previously collected. Data will be collected through questionnaires. Secondary data- Data collected in the past for some other purpose other than the problem at hand. This was done by referring to various studies, articles, books and websites. C) Tools of primary research Primary data mainly includes the responses of the consumers addressed. For collecting the primary data, a detailed sample survey was done because a survey focuses on opinions or factual information depending on its purpose and survey involves administering questions to individuals. D) Type of survey. In this study, sample survey methodology was used to obtain information about a large aggregate population by selecting and measuring a sample from that population. Sample survey was done as the census method was not feasible owing to the huge population of Bangalore city. E) Method of sampling The sampling method used to conduct the study was convenience and judgement based sampling for the ease of access. F) Sample size The Sample Size undertaken for the purpose of this research will be 100 consumers in Bangalore. G) Tool for data collection The tool used for data collection was structured questionnaire. The questionnaire comprised of 21 questions 1 H) Tools of analysis For all the data required, an in-depth

analysis was done. The data collected was filtered down to the core.

Tabulation succeeds this stage, where the data was mentioned in a tabular form. Graphs like bar diagrams were made. Inference was drawn out of these tables and was mentioned in addition to the explanation of the table and graphs. For determining the degree of agreeableness, ranking was done. For this purpose Likert scale was used. The scale for measuring priority is given as below: \* strongly agree; \* agree; \* neither agree nor disagree; \* disagree; \* strongly agree. Weighted Averages mean method was used to analyze the degree of agreeableness and the rating given to the variable. For example, the calculation of weighted average mean for table number 4. 26 is shown bel