

The Impact of Celebrity Endorsement on Strategic Marketing Management

Abstract

The use of celebrity endorsed advertisements has become a common tool among the marketers. It is often seen as an integral part of integrated marketing communication. Celebrity – endorsers have the potential of serving a valuable role in enhancing a brand's competitive position and developing brand equity. The present study seeks the impact of celebrity endorsement on the strategic marketing management. The study has revealed that marketers should develop celebrity-endorsement strategies for various advertisements for different products and services. It surely brings the brand increased media exposure, if designed with a clear understanding of the target audience because celebrity advertisement has a potent influence on the minds of customers.

Keywords: Celebrity endorsement, Viewers' perception, Brand image, Buying behaviour, Brand awareness

Introduction

The increasing pace of corporatisation has paved avenues of attractions. There is nothing more appealing than a man with a sense of wit and fun. There is nothing more paying than an aesthete. With the growing influence of corporate culture in the process of socio-economic emancipation, we find a basic change in the perception of personality development. Of late, the leading global organizations have been found assigning due weight age to Physical Attractions. The subjective knowledge or thematical competence, no doubt, plays an important role in developing our personality but we also need to take care of our look. The cine artists, technocrats, bureaucrats, corporate managers, intellectuals do not need an identical look. The corporate decision-makers need a look that is different to others. A look that generates a positive image, a look that magnifies optimism, a look that bears the efficacy of coiling your communication excellence and a look that visualises elegance. This makes it essential that corporate managers assign top priority to their dresses, physical fitness adding additional attractions. They are not supposed to look like a philosopher exposing pessimism. Actually their facial expression, movement of their eyes, their body language, modus operandi and modus vivendi add additional attractions to their personality considerably helping the process of image projection. It is against this backdrop that we find personal care services drawing priority attention in the formulation of a sound marketing mix.

The marketing of advertising is, more complex than marketing of other services. Even after a very successful promotion, many imponderables remain. Could the advertising campaigns have been 'more effective'? What was the 'advertising persuasion' vis-a-vis product performance, pricing, distribution and selling? Could the size of the advertisement/s have been smaller? Could the media spread have been more compact? Did the advertising agency suggest size, media and frequency on the basis of the 'advertising need' or was it based on how much commission the agency could earn? Lord Leverhume is credited with the statement: "I know that half my advertising money is wasted. But I don't know which half." As the advertising industry grew in volume and value during the first half of the 20th century, advertising agencies formed local, regional and national associations which formulated 'codes of ethics' which, whilst laudable in principle, applied further constraints on individual agencies' scope to promote themselves. Strategic brand positioning and effective communication are the keys to success in today's market where many brands compete in the same category for the market share.

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Companies are doing their best to promote their brands and occupy a long lasting image in the minds of the consumers. In India, television is the most popular and effective means of the mass communication. Since advertising is a highly critical tool for luring customers to make purchases, Indian firms are investing millions of rupees on celebrity advertising.

Review of Literature

Maneesh and Praneeth (2009) studied the effectiveness of celebrity endorsement in brand recalling. The study identified the influence of celebrity endorsements in brand recalling purchasing product. It was determined that celebrity advertisement is an effective tool in advertisement and it positively affects the brand recall. It does not affect decision making and it helps only in brand recalling. The study also suggested that inappropriate use of celebrity in advertisements fails to produce the desired results. Lack of credibility of consumers in celebrity endorsement may give negative results. Chung-Kue Hsu and Danniella McDonald (2002) examined celebrity advertising as prevailing advertising techniques. Some marketers choose to utilize multiple celebrities to promote their brands. Nevertheless it is surprising that so little research has focused on this phenomenon. This research discussed the advantage and potential concern of multi celebrity endorsement advertising and documented actual use of the multiple celebrity endorsers in the milk moustache campaign in the USA. They found that these milk moustache advertisements have matched their celebrities' gender, age etc. The research supports that fit between the endorsed product and various celebrities is key factor for using multiple celebrities is key factor for using multiple celebrity endorsers in advertising. Frank R. Veltri (2003) examined the increase in endorsement marketability of professional female athletes. Professional female sports figures are becoming more popular and as results are receiving larger endorsement contracts from sports specific and nonspecific corporations. The 1996 summer Olympic Games produced more female endorsers than in any past Olympic games. A growing trend among American corporations is to increase the use of female athletes as product endorsers secondary to the growth of the female sports market. With the development of professional women's leagues corporations are interested in hiring these new sports figures. Corporations are competing for the use of sports women as advertising models is an attempt to boost product image, sales and loyalty. Tanu Sree Bhowmick (2012) opined that celebrity advertisement provides an alternative to creative advertisement. Celebrity advertisement mainly focus on the strength of the celebrity and more often, it is mainly tends make the celebrity speak directly to the public. They also points out than the marketer also has to take care about the reputation of the endorser and should prefer to stay with a celebrity which has a stable image and not that the image of the celebrity changes every few weeks. According to them a careful analysis of the market situation indicates that celebrity

endorsement strategies can justify the high cost incurred in advertising if used in the right circumstances. According to Sri and Sudhakar (2003) use of celebrities in advertisements brings faster awareness, interest in the advertisements, and knowledge towards the product. The study also identified the TV watching habits of the consumers and their awareness on celebrity advertisements. All the respondents participated in the study have awareness on the celebrity endorsed advertisements. The author pointed such as soft drinks, cars and suiting. The advertisements of the product used national celebrities and they were successful in creating interest the customers. Fang et. al. (2003) determined the impact of thin female models in advertising. The results of the study indicated that women perceived that they influenced by media images with male friends or romantic partners and American respondents perceived greater differences among diverse types of close Vs distant, gender in group than the Hong Kong Women. Therefore, there is difference in the opinion of the differences between the two cultures in processing the advertisements.

Celebrity Marketing- The Concept

Celebrity based marketing have become important in these days. We rarely find advertisements not featuring celebrities. In this deep competitive time where capturing a position in the consumers mind space is extremely tough, celebrity endorsements give an extra edge to the companies for holding the viewers attention. Celebrities can catalyze brand acceptance and provide the enormous momentum that brands require by endorsing the intrinsic value to the brand. Celebrities are peoples who enjoy specific public recognition by a large number of certain groups of people. They have some characteristic attributes like attractiveness, extra ordinary life cycle or special skills that are not commonly observed.

The term Celebrity- Defined

- 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". (Friedman and Friedman)
- A "celebrity is a well-known personality "actor, entertainer, or athlete" who is known to the public for his or her accomplishment in areas other than the product class endorsed" (Shimp 2003)
- A celebrity is a well-known personality who enjoys public recognition by a large share of a certain group of people.

Celebrities are popular among the public and take pleasure in being recognized by numerous people. good looks, classy life styles and special skills are only some of celebrities' special features that are different from several people and are seen by the public which grants them a large amount of the public's attention.

Objectives of the Study

There are following objectives of the study

1. Impact of celebrity endorsed on strategic marketing management.

2. What other facts affect consumers buying behaviour
3. Identity celebrity endorsement as a source of brand building.

Impact of Celebrity Endorsement on Marketing

Marketers are bound to take help from celebrities. Celebrities endorsing brands has been steadily increasing. The reason may be detected as an attempt to mingle diverse activities to win customer preference. The power of celebrities influencing consumer purchase decision is widely acknowledged by all. Celebrities can bestow special attributes upon a product that it may have lacked otherwise. If a celebrity can amplify the merits of brand, he or she can also exaggerate its image. Actually celebrity advertisement is propelled by virtue of the following motives:

- Instant brand awareness and recall
- Celebrities define and refresh brand image
- Celebrities add new dimensions to a brand's image
- Instant credibility
- Convincing consumers

Research Methodology

The Data and Sample Size

The study is based on the primary data collected by personally interviewing the sample buyers. A structured questionnaire was designed, taking into consideration the objectives of the study. In order to study the message-recall influence of the celebrity-endorsed advertisements, the names of the celebrities listed in Exhibit were mentioned to the respondents:

Exhibit

Names of Celebrities Selected for the Study

1. Mahendra Singh Dhoni (Cricketer)	8. Akshay Kumar (Film star)
2. Sachin Tendulkar (Cricketer)	9. Hrithik Roshan (Film star)
3. Katrina Kaif (Film star)	10. Shahrukh Khan (Film star)
4. Saif Ali Khan (Film star)	11. Kareena Kapoor (Film star)
5. Salman Khan (Film star)	12. Aishwarya Rai (Film star)
6. Aamir Khan (Film star)	13. Juhi Chawla (Film star)
7. Amitabh Bachchan (Film star)	

The ten statements used to experiment on the negativity or positivity of the consumer perception of the celebrity-endorsed advertisements are listed below:

1. A celebrity can communicate the benefits of the product clearly.
2. Celebrity-endorsed (CE) ads are relatively more attractive.
3. CE ads reflect the status of the brand.
4. CE ads do not interfere much with enjoying a TV programme that the others do.
5. Celebrities do not use the endorsed products.
6. It distracts the attention from the brand.
7. Celebrities do not convey their own opinion; rather they are paid to say it positively.

8. The commercials do not make me convinced to buy the product.
9. I'm tired of celebrity-endorsed ads.
10. The commercials are much more attractive.

A 7-point Likert's summated scale, the range of which is indicated below, was used to rate each of the above-mentioned statements related to the measurement of attitude towards celebrity-endorsed advertisements:

1. Strongly Disagree
2. Disagree
3. Somewhat Disagree
4. Neither Agree Nor Disagree
5. Somewhat Agree
6. Agree
7. Strongly Agree

In order to avoid the complexity of the signs, the positive numbers from 1 to 7 – where 4 is the neutral point – were selected.

Another 7-point scale was used to determine the role of the celebrity-endorsed ads in decision-making (at any stage from the need recognition to brand selection). The particulars of the scale are given below:

1. Total Negative Role
2. Negative Role
3. Somewhat Negative Role
4. Neither Negative Role Nor Positive Role
5. Somewhat Positive Role
6. Positive Role
7. Total Positive Role

Thurstone's Case V scaling model was used to identify the most striking celebrity attribute.

Sample size

Forty viewers from each of the five towns were selected, making a total of 200 respondents, who belonged to different income, occupation, and age groups.

The Tools Used for Analysis

The Chi-square analysis was used to study the significance of the demographic factors of age, income, occupation, and gender, on attitudes towards celebrity-endorsed TV ads. The correlation coefficient was computed to reveal the degree of association of the respondents' age, gender, and the other demographic factors, with attitude towards celebrity-endorsed TV ads.

Data Analysis and Findings

The recall of the celebrity-endorsed ads was such that only 16 respondents out of the total of 200 could not tell about a single ad endorsed by the selected celebrity. A weight of 1 was assigned to the right recall of the advertisement endorsed by the above-mentioned celebrities. If one could remember 2, 3, or more ads, endorsed by that particular celebrity, then the corresponding weight was given to that respondent and the celebrity concerned was given. For example, if one could remember 5 ads endorsed by Amitabh Bachchan, it was counted as 5. The average was estimated just by dividing such summed up numerical by 15 (the total number of celebrities). Afterwards, the correlation between the age and the number of advertisements recalled by the respondent was

computed, which resulted in a negative figure, - 0.2303. It is an indication of the fact that the younger persons were more fond of celebrity-endorsed advertisements.

Pros and Cons of Celebrity Marketing Strategy

Now celebrities in advertisements has become the new trend in advertising. This has helped to make the product more popular. It increases products appeal and the product is remembered along with the celebrities advertising it.

Pros and Cons of Celebrity Endorsement Strategy

Potential Advantage	Potential Hazards
<ul style="list-style-type: none"> • Brand awareness • influence consumer purchase • Position a brand • Attract new users • Breathe life in to failing brands • Compensates the lack for innovative idea • Image recovery • Creates mass appeal • Enhanced credibility 	<ul style="list-style-type: none"> • Image change and over exposure • Over shadow the brand • Public controversy • Less public recognition • Expensive • Celebrities may disappear out of the media • Multiple endorsements leads to negative results

Opportunities of Celebrity Endorsement

The following are the some of the specific advantages of Celebrity advertisement.

Influence consumer purchases

People may have the attitude “if the product is good enough for her, it is good enough for me”. They purchase the brand that the celebrity uses to achieve her objectives. Local consumers may also desire the same. The testimonial of the local celebrity adds instant credibility to a small company’s product.

Build brand awareness:

Celebrities in advertising build brand awareness. According to “super market news”, a publication covering the food distribution industry and they build it much more quickly than traditional types of advertising. Brand awareness measures the percentage of people who are familiar with a particular brand. Small business spends lots of money and time for exposure to incrementally increase brand awareness among consumers.

Position a brand

Some small companies use celebrities in advertising to position their brands. Product positioning is placing a company’s products in the best possible light in minds of a target group. For example, small investment firm may use a well – respected and retired local disk jockey to market a retirement plan for people aged 50 and over.

Attract new users

One challenge small company’s face is finding new users for their products. Local celebrities in advertising appeal to customers as well as those who have never tried the brand. Those who continuously see the local celebrity in a commercial for a certain products may be convinced to by the products.

Criticisms or Limitations of Celebrity Advertisement

There are many potential hazards in utilizing celebrities as spoke person. Benefits of using celebrities can reverse markedly if they, for example, suddenly change image, drop in popularity, get into a situation of moral turpitude, and lose credibility by over endorsing or over shadow endorsed products.

Celebrities can overshadow brands

Consumers may focus on the celebrity, not the product. This is a particular danger when celebrities endorse multiple products at a time. A common concern is that consumers will focus their attention on the celebrity and fails to notice the brand being promoted. (Cooper 1984). David Beckham endorses a number of companies, which feature him prominently in print advertising.

Findings

1. The result elaborates that the celebrity endorsement is not an effective tool to affect positively the consumer’s purchase decision.
2. Celebrity endorsement creates awareness among consumers. It helps them to recall the brands.
3. The purchase attitude is influenced by the celebrity endorsement factors, price and brand recognition.
4. Bollywood stars are the rulers of the advertisement domain.
5. Television is an effective medium to convey celebrity endorsed advertisements.

Conclusion

Marketers frequently use celebrities as spokespersons to deliver Ad message and to persuade and convince the potential buyers for their brands. The purpose of celebrity advertisement is to increase the brand image and brand awareness, increased attention, Brand repositioning, Image polishing etc. Celebrity advertisement acts as a credible means of spending money. Though marketers should remember that celebrities are mere living beings like us and if they can highlight the benefits or advantage of a brand, they can also have some uncanny negative impact. But celebrities have a great impact on consumers mind, sometimes we see that we don’t remember the product name but remember which celebrities are the real ambassador of any brand. So, marketers are found to take the help from renowned celebrities. Thus, marketers should frame a streamlined marketing strategy with the help of celebrities in this deep intensive of competitive time and they can flourish their businesses.

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