

Impact of Celebrity Endorsement on Brand Building & Consumer Buying Behavior

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Abstract

Celebrity endorsement is very popular and often-used technique by marketers. Marketers endorsed Celebrities with their products and brands in the advertisement to increase their sales and change the perception of the viewer's regarding their brand, which positively impacts on their buying behavior. Marketers also claim that a celebrity affects the credibility of claims about a product and increases the memorabilia factor of the message, which may provide a positive effect that could be generalized to the brand. The effectiveness of using a celebrity to endorse a firm's product can generally be improved by matching the image of the celebrity with the personality of the product and the actual or desired self concept of the target market. What therefore seems relevant by the study is that, yes, definitely celebrity endorsee influence consumer buying behavior and brand building but while using celebrity endorsee, marketer has to take care of all the aspect that whether the brought personality and image of celebrity matches or not, whether celebrity endorsee has deep penetration among the masses or not, whether he is considered as credible source or not etc.

Keywords: Celebrity endorsement, brand building, customer's buying behavior, advertisement, perception.

Introduction

In today's world the celebrities are being treated as a role model. People are changing their living style related with their favorite celebrity. This thing creates a great impact on the buying behavior of the persons. This attracts the customers and ultimately increases the company productivity. Celebrities are not always creating any kind of effect on persons mind in terms of buying. But mostly it gives a great impact on perception of choosing any product. We are always thinking that if our favorite celebrity is using them. Then we should use that to be like them (Khatri 2006). The celebrity endorsement market is now evolving from plain vanilla endorsement deals to full-fledged partnerships through innovative structures such as equity deals, royalty arrangements, joint ventures and strategic merchandising partnerships. Traditionally, endorsement contracts have generally been structured in two ways. The first includes a fixed fee and a fixed term engagement, while the second includes a one-time engagement. The former model involves celebrities being contracted for a specified term (usually one or two years) for a fixed sum of payment split across the pre- and post-endorsement cycle. Celebrities are called "brand ambassadors" under such engagements.

The latter, a less popular form of engagement, involves a one-time appearance by a celebrity for a specified event or campaign. This may be in the form of a single advertisement or a photoshoot or even an event attendance. Flipkart used this form of engagement with its star-studded lineup to promote its annual Big Billion Day sale In October 2018.

Literature Survey:

Many studies have been done to examine the effect of celebrity endorsement on consumer behavior. According to M C Cracken (1989) one of the main reason for using celebrity endorsement is to create a better image for the product by transferring the symbolic meaning from the celebrity to the product. They identified that celebrity endorsement enhances brand recall and product awareness. Arthur Cheng H Sui Chen, Rita Yahui, Ali Besherat, Daniel w. Baack (2013) found that advertisers commonly use celebrity endorsers to increase the effectiveness of advertising in persuading consumers. They focused on classical conditioning theory to earn exploration of multiple brand advertisements by a single celebrity and examined how brand concept consistency between endorsers' brands affects consumers' evaluation of the endorsed brand. The results of two studies revealed a greater favourable attitude by consumers towards the initial and latter endorsed brand in case of identical or close brand concept consistency as compared to case of far brand concept consistency. Multiple brand endorsements by the same celebrity, framed by classical conditioning process, found that the initial and later endorsed brands positively influences consumers attitude towards the endorsed brands Nam Hyum Um (2013) investigated the relationship between negative brand publicity and a celebrity endorser. The study found that negative brand publicity had negative impacts on the celebrity endorser, brand evaluation and purchase intention. It explored two things i.e. Whether identification with a celebrity moderates the relationship between negative brand publicity and evaluation of a celebrity endorser and a brand.

According to Keller (1993), creating brand positioning in the market, companies try to develop various ways through which consumer's perception develops. This perception is called Brand Image. This perception generally creates positive or negative brand identity/positioning which could improve or demolish the overall performance of the brand. Consumers categorize a bunch of attributes and generate an image connection associated to the brand around both functional and symbolic dimensions Kotler & Keller (2006). These images are evaluated against numerous reference points (product category image, social image, ideal social image, self image, or ideal self image, to influence consumers' reactions to a given brand, including brand attitude, brand preference, and brand loyalty).

A Definition of ‘Celebrity’

Celebrities are people who enjoy public recognition by a large share of a certain group of people. Whereas attributes like attractiveness, extraordinary lifestyle or special skills are just examples and specific common characteristics cannot be observed, it can be said that within a corresponding social group celebrities generally differ from the social norm and enjoy a high degree of public awareness. Among the model forms of celebrities, actors (e.g. Saif Ali Khan, Shah, Salman Khan, Amitabh Bachan etc), models (e.g. Parvati Chopra, Ali Zafar, Alia Bhatt, Kareena Kapoor etc), Sports-men (e.g. Virat Kohli, Rohit Sharma, Sachin Tendulkar, etc.) are significant. Celebrities appear in public in different ways. First, they appear in public when fulfilling their profession, appear in public by attending special celebrity events, e.g. the Academy Awards, or world premieres of movies. In addition, they are present in news, fashion magazines, and tabloids, which provide second source information on events and the ‘private life’ of celebrities through mass-media channels. Last but not least, celebrities act as spokespeople in advertising to promote products and services (Kambitsis et al. 2002, Tom et al. 1992).

Essentials of celebrity endorsements

Attractiveness of the celebrity:

This principle states that an attractive endorser will have a positive impact on the endorsement. The endorser should be attractive to the target audience in certain aspects like physical appearance, intellectual capabilities, athletic competence, and lifestyle. It has been proved that an endorser that appears attractive as defined above has a greater chance of enhancing the memorability of the brand that he/she endorses.

Credibility of the celebrity:

This principle states that for any brand-celebrity collaboration to be successful, the personal credibility of the celebrity is crucial. Credibility is defined here as the celebrities’ perceived expertise and trustworthiness. As celebrity endorsements act as an external cue that enable consumers to sift through the tremendous brand clutter in the market, the credibility factor of the celebrity greatly influences the acceptance with consumers. For example, Nike decided to suspend its endorsement contract with Oscar Pistorius in 2013 as his credibility was severely questioned from him being charged with premeditated murder.

Meaning transfer between the celebrity and the brand:

This principle states that the success of the brand-celebrity collaboration heavily depends on the compatibility between the brand and the celebrity in terms of identity, personality, positioning in the market vis-à-vis competitors, and lifestyle. When a brand signs on a celebrity, these are some of the compatibility factors that have to exist for the brand to leverage the maximum from that collaboration. Even though these three major principles must be adhered to by companies, practically it might be difficult to find celebrities that satisfy all these three conditions. Depending on the nature of the brand and the kind of product being used, companies can selectively emphasize one factor over the other.

Celebrities : Spokespersons For Brand

Companies frequently use spokespersons to deliver their advertising message and convince consumers of their brands. A widely used and very popular type of Spokes person is the celebrity endorser (Tom et al. 1992)². Endorsement is a channel of brand communication in which a celebrity acts as the brand's spokesperson and certifies the brand's claim and position by extending his/her personality, popularity, status in society or expertise in the field to the brand. In a market with a very high proliferation of local, regional and international brands, celebrity endorsement was traditionally thought to provide a distinct differentiation. Celebrity spokespeople are more accessible than you think. You may not be able to afford the services of Leonardo DiCaprio, but a minor celebrity or someone well-known in your local area could be the key to pushing your product. According to Friedman and Friedman (1979, p. 63) 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." The reason for using celebrities as spokespersons goes back to their huge potential influence. Compared to other endorser types, famous people achieve a higher degree of attention and recall. They increase awareness of a company's advertising, create positive feelings towards brands and are perceived by consumers as more entertaining (Solomon2002). Using a celebrity in advertising is therefore likely to positively affect consumers' brand attitudes and purchase intentions. To ensure positive results, however, it is critical for advertisers to have a clear understanding of the 'black box' of celebrity endorsement. In the following section, selected concepts that have to be considered when using celebrities as spokespersons are discussed. This information has extended by Zafar (2009) and suggested that the celebrities' endorsements are being used to get the attention of the customers, by involving the best models in the advertisement and motivate people to get attention towards the product because this will ultimately raise the customer toward that company's product. In this process the message of the main motive of the product is explained by the well-known personalities. So they are more preferable by the companies for developing the awareness.

Celebrities: Influencing People To Buy

It's true that they still push products. There are many people who will buy an item just because a celebrity told them to. It's due to the fact they have such a love for that celebrity. Young people are especially vulnerable to celebrities because they grow up believing that they have to be like them. It should come as no surprise that celebrities are nearly always called in to promote cosmetics. And it's why many celebrities choose to bring out their own cosmetics. By bringing in a celebrity you are adding immediate credibility to your product and brand.

Celebrities :Building Brand Awareness

Building brand awareness through a celebrity spokesperson will gain a brand instant publicity. In the long-term, it will encourage more and more customers to find out more about the business their favorite celebrity happens to be supporting.

Celebrities :Positioning Brand

One reason why small businesses bring in the services of a celebrity is they need to position their brands. Product placement as a premium brand is about using a product in the right light that gets people engaged. For example, a popular soda manufacturer may have a child star drink their product while skateboarding or while hanging out with friends. In theory, young people will see that and they will be able to identify with it because that's what they are doing anyway. All they need is the product to complete the picture, which they will presumably go out and buy. Choosing the right celebrity is key to product placement because it enhances believability.

Celebrities: Attract New Customers

Small businesses often lose momentum because they can't find enough new customers. Local celebrities are perfect for the small business because they introduce people to those who have never tried the brand before. Often, the key is to get people to give the brand a try in the first place and the rest takes care of itself. Those who haven't tried a product may continually see a recognizable face using the product on TV, and so they decide to give it a try.

Celebrities :Rejuvenate A Brand That Isn't Working

Sometimes you may have the problem of a brand that isn't catching fire. Gaining that initial momentum is the most difficult part of the process for any company. If your brand is failing, breathe new life into it with the help of a celebrity. Certain businesses will even go all in by

taking a well-known celebrity and spending their profits entirely on them. It's hoped that by making a small loss the influx of new customers trying the business's products will eventually lead the business into profit. This is a risky strategy, but it's worked before. It's why large corporations will employ only the most well-known faces during a release period, even if it means they lose money in the short-term.

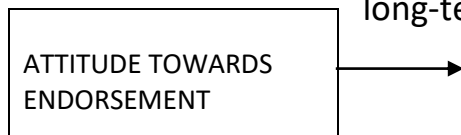


Celebrity endorsements – Do’s and Don’ts

All brands must be aware of some of the important aspects of celebrity branding as discussed below:

Consistency and long-term commitment:

As with branding, companies should try to maintain consistency between the endorser and the brand to establish a strong personality and identity. More importantly, companies should view celebrity endorsements as long-term strategic decisions affecting the brand.



Three prerequisites to selecting

celebrities:

Before signing on celebrities to endorse their brands, companies need to ensure that they meet three basic prerequisites, namely the endorser should be attractive, have a positive image in the society, and be perceived as having the necessary knowledge (although it might be difficult for a celebrity to meet all three prerequisites).

Celebrity–brand match:

Consistent with the principles discussed earlier, companies should ensure a match between the brand being endorsed and the endorser so that the endorsements are able to strongly influence the thought processes of consumers and create a positive perception of the brand.

Constant monitoring:

Companies should monitor the behaviour, conduct and public image of the endorser continuously to minimize any potential negative publicity. One of the most effective ways to do this is to ensure that celebrity endorsement contracts are effectively drafted, keeping in mind any such negative events.

Selecting unique endorsers:

Companies should try to bring on board those celebrities who do not endorse competitors' products or other quite different products, so that there is a clear transfer of personality and identity between the endorser and the brand.

Timing:

As celebrities command a high price tag, companies should be on the constant lookout for emerging celebrities who show some promise and potential and sign them on in their formative years if possible to ensure a win–win situation.

Brand over endorser:

When celebrities are used to endorse brands, one obvious result could be the potential overshadowing of the brand by the celebrity. Companies should ensure that this does not happen by formulating advertising collaterals and other communications.

Celebrity endorsement is just a channel:

Companies must realize that having a celebrity endorsing a brand is not a goal in itself; rather it is one part of the communication mix that falls under the broader category of sponsorship marketing.

Celebrity ROI:

Even though it is challenging to measure the effects of celebrity endorsements on companies' brands, companies should have a system combining quantitative and qualitative measures to measure the overall effect of celebrity endorsements on their brands.

Trademark and legal contracts:

Companies should ensure that the celebrities they hire are on proper legal terms so that they do not endorse competitors' products in the same product category, thereby creating confusion in the minds of the consumers. These guidelines are intended to provide companies a useful framework that they can use while deciding on the celebrities to endorse their brand.

Conclusion:

The important aspect that companies must note is that celebrity endorsements cannot replace the comprehensive brand building processes. As branding evolves as a discipline companies must be extra cautious to utilize every possible channel of communication rather than just a celebrity endorsement. When all other steps in the branding process is followed and implemented, then channels such as celebrity endorsements can provide the cutting edge. The success of the brand-celebrity collaboration heavily depends on the compatibility between the brand and the celebrity in terms of identity, personality, positioning in the market vis-à-vis competitors, and lifestyle. When a brand signs on a celebrity, these are some of the compatibility factors that have to exist for the brand to leverage the maximum from that collaboration.

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