Impact of Celebrity Endorsement on a Brand

“Celebrity is an omnipresent feature of society, blazing lasting impressions in the memories of all who cross its path.”

Kurzman et.al (2007)

INTRODUCTION

The intense usage of celebrity endorsement as a tool of advertising strategy has increased drastically in the past few years; celebrities have been used to promote various kinds of products and services, from sports to beverages to all kinds of electronics and several other products. The drastic rise of celebrity endorsers is not limited to a specific sector of the economy, companies using celebrity endorsement cut across all industry categories – including packaged goods, telecommunication, financial services and automobile industries (Thompson, 1998; Okorie, 2010; Okorie & Aderogba, 2011).

In India a celebrity idolizes in the mind of the consumer so large that any activity can be capitalized on their huge fan followers (Erdogan, 1999). Therefore the huge and binding relationship between celebrity endorsement and consumer behavior cannot be ignored or undermined in a competing business environment like India

Using well-known and admired people to promote products is a widespread phenomenon with a long marketing history. Consequently, in choosing a celebrity endorser, it is important for the celebrity to be well enough known that the awareness, image, and
responses for the brand may be improved. (Goldsmith et al, 2006) In particular, a celebrity endorser should have a high level of visibility and a rich set of potentially useful associations, judgments, and feelings. Ideally, a celebrity endorser would be seen as credible in terms of expertise, trustworthiness, and likeability or attractiveness, as well as having specific associations that carry potential product relevance. (Goldsmith et al, 2006)

Today celebrity endorsement is being seen more and more as an integral part in an integrated marketing communication strategy. Hamish and Pringle (2004) suggest 3 macro factors present in the market today that in principal justifies the validity of celebrity endorsement as a promotional strategy. The first factors the increasing opportunity for interactivity between brands and their consumers. Second is the “era of consent” situation present today where consumers have more control over the messages they receive. And lastly is the increasing media fragmentation and commercial communication clutter. (Temperley and Tangen, 2006)

**Brand Endorsements**

it is very important to choose Right Brand endorser at the Right time and for right product. For example Reebok India chose M.S. Dhoni as their brand ambassador for one reason which is the expenditure on getting his association with the brand would have become expensive when he started performing excellently and other some other brand would have picked him. It was considered for right product as Reebok India is spending huge sum on capturing cricket associated product market i.e. the products required for playing cricket are the best one’s manufactured by Reebok across all other sports brands in India. The essence of an endorsement strategy consists in creating an emotional tie between the consumer and the endorsers. The positive associations that, in people's perception, are attached to the athlete (e.g. success, invincibility,) have to be transferred to the product.
Corporate sponsorship of sport, including athlete endorsements as a substantial component, has received no exhaustive academic attention argue that the practice of sponsorship by marketing practitioners has been a success and the influence rate is High. Celebrities ensure attention of the target group by breaking the clutter of advertisements and making the advertisement and the brand more noticeable. A celebrity's preference for a brand gives out a persuasive message and hence, because the celebrity is benefiting from the brand, the consumer will also benefit.

There is a demographic and psychographic connection between the stars and their fans. Demographic connection establishes that different stars appeal differently to various demographic segments i.e. age, gender, class, geography etc., while psychographic connection establishes that stars are loved and adored by their fans.

Some stars have a universal appeal and therefore prove to be a good bet to generate interest among the masses. Another invaluable benefit from celebrity endorsements is the public relation opportunities.

Looking at the effect of celebrity endorsement on the wealth of a company a classic example of Michael Jordan.

At the time of rumors of Michael Jordan returning to NBA in 1995, he was endorsing products of:

- General Mills (Wheaties),
- McDonalds (Quarter Pounders, Value Meals),
- Nike (Air Jordan),
- Quaker Oats (Gatorade)
- Sara Lee (Hans Underwear).
Study Related to this associated with Jordan's endorsements shows that the anticipation of Jordan's return to NBA, and the related increased visibility for him resulted in increase in the market adjusted values of his client firms of almost 2 percent, or more than $1 billion in stock market value.

Semi-partial endorsement indicates that when a company uses famous characters from any TV soaps for brand endorsements, consumers tend to relate to the character that he or she plays in the soap and hence can attract more credibility.

For example, Smriti Irani who plays 'Tulsi' in a famous soap has garnered a lot of support from the middle-class housewife today. If she would endorse a brand, there would be more relativity and credibility.

Same can be said about Priya Tendulkar who used to play the character of Rajani.

1.5 Advantages of a celebrity endorsing a Brand

Brands have been leveraging celebrity appeal for a long time. It is happening across categories, whether in products or services, more and more brands are banking on the mass appeal of celebrities.

E.g. Rahul Dravid one time captain of Indian Cricket team is a Brand Endorser for Reebok India Ltd and internationally US Actress Scarlet Johnson is also a brand endorser for Lifestyle category of Reebok Inc. (Internationally & Domestically). For Pantaloon an Indian Brand the Brand Endorser for fresh fashion Apparels and Accessories is Bipasha Basu, lara Dutta, Zayed Khan & Sunny Doel all of these accreted names are Bollywood Stars. The accruement of celebrity endorsements can be justified by the following advantages that are bestowed on the overall brand:
1.5.1 Establishment of Credibility:

Approval of a brand by a star fosters a sense of trust for that brand among the target audience - this is especially true in case of new products. There was a promo of cars by Shah Rukh-Santro campaign. At launch, Shah Rukh Khan endorsed Santro and this ensured that brand awareness was created in a market, which did not even know the brand.

1.5.2 Ensured Attention:

Celebrities ensure attention of the target group by breaking the clutter of advertisements and making the ad and the brand more noticeable. For e.g. Sania Mirza a brand endorser for Umbro a sports brand definitely catches the attention of her Fans who would like to perform like her and sport the apparels, accessories & footwear which she is sporting.

1.5.3 PR Coverage:

It is one major reason for using celebrities. Managers perceive celebrities as topical, which create high PR coverage. A good example of integrated celebrity campaigns is one of the World’s leading pop groups, the Spice Girls, who have not only appeared in advertisements for Pepsi, but also in product launching and PR events.

1.5.4 Higher degree of recall:

People tend to commensurate the personalities of the celebrity with the brand thereby increasing the recall value. Golf champion Tiger Woods has endorsed American Express, Rolex, and Nike.

007 Pierce Brosnon promotes Omega, BMW, and Noreico.
1.5.5 Associative Benefit

A celebrity’s preference for a brand gives out a persuasive message - because the celebrity is benefiting from the brand, the consumer will also benefit. For e.g. Sachin Tendulkar’s performance is positively correlated with the kind of Bat he uses and kind of footwear he sports as performance Adidas got its share of benefit by taking him as a brand endorser.

1.5.6 Mitigating a tarnished image:

Cadbury India wanted to restore the consumer's confidence in its chocolate brands following the high-pitch worm’s controversy; where the company appointed Amitabh Bachchan for assuring it to people across the country that he is taking assurance of the product. In 2004, even more controversial pesticide issue shook up Coca-Cola and which resulted in much negative press, the soft drink major put out high-profile damage control ad films featuring its best and most expensive celebrity. Aamir Khan led the Coke fight back as an ingenious and fastidious person who finally got convinced of the product’s purity.

1.5.7 Psychographic Connect:

Celebrities are loved and adored by their fans and advertisers use stars to capitalize on these feelings to sway the fans towards their brand.

1.5.8 Demographic Connect:

Different stars appeal differently to various demographic segments (age, gender, class, geography etc.).
1.5.9  Mass Appeal:

Some stars have a universal appeal and therefore prove to be a good bet to generate interest among the masses.

1.5.10  Rejuvenating a stagnant brand:

With the objective of infusing fresh life into the stagnant chyawanprash category and staving off competition from various brands, Dabur India roped in Bachchan.

1.6  Celebrity Endorsement can sometimes compensate for lack of Innovative ideas

A celebrity is used to impart credibility and aspiration values to a brand, but the celebrity needs to match the product. A good brand campaign idea and an intrinsic link between the celebrity and the message are musts for a successful campaign. Celebrities are no doubt good at generating attention, recall and positive attitudes towards advertising provided that they are supporting a good idea and there is an explicit fit between them and the brand.

On the other hand, they are rendered useless when it comes to the actual efficiency of the core product, creating positive attitudes to brands, purchase intentions and actual sales.

1.7  Parameters that postulate compatibility between the celebrity and brand image are:

a. Celebrity’s fit with the brand image
b. Celebrity—Target audience match
c. Celebrity associated values.
d. Costs of acquiring the celebrity
e. Celebrity—Product matches
f. Celebrity controversy risk
g. Celebrity popularity  

h. Celebrity availability  

i. Celebrity physical attractiveness  

j. Celebrity credibility  

k. Celebrity prior endorsements  

l. Whether celebrity is a brand user  

m. Celebrity profession  

1.8 Celebrities endorse endorsing the related sporting products as follows:  

(a) Increasing awareness of  

\( \Rightarrow \) Brand  

\( \Rightarrow \) Product  

\( \Rightarrow \) Company  

(b) Image building of  

\( \Rightarrow \) Brand  

\( \Rightarrow \) Product  

\( \Rightarrow \) Company  

(c) Athletes can provide testimony for a product of service, particularly when the product has contributed to their celebrity.  

The whole Business environment possesses a motive for Brand Endorsements:  

g) Media objectives  

h) Cost effectiveness
i) Reaching target markets
j) Image based Objectives
k) Sponsorship objectives for business
l) Broad corporate objectives
The scope of a celebrity on the incumbent brand:

A brand is a differentiated product and helps in identifying your product and making it stand out due to its name, design, style, symbol, color combination, or usually a mix of all these.

Before we can scrutinize the effects of celebrity endorsement on the overall brand, we have to ferret the implicit nuances that act as sources of strong brand images or values:

**Experience of use:**
Using the product encapsulates familiarity and proven reliability.

**User Associations:**
Brands acquire images from the type of people who are seen using them. Images of prestige or success are imbibed when brands are associated with glamorous personalities. If Play Dry Technology fabric’s apparel is used by M.S. Dhoni (Current Indian Cricket Captain) than a teenager would like to wear clothes which are worn by him.

**Belief in efficiency:**
Ranking from consumer associations, newspaper editorials etc.

**Brand appearance:**
Design of brand offers clues to quality and affects preferences.

**Manufacturer’s name & reputation:**
A prominent brand name (Sony, Nike, Bajaj, and Tata) transfers positive associations

The celebrity’s role is the most explicit and profound in incarnating user associations among the above-mentioned points. To comprehend this, let us analyze the multiplier effect formula for a successful brand:
The realm of the celebrity’s impact is confined to bestow a distinctive identity and provide AV to the brand; the celebrity does not have the power to improve or debilitate the efficiency and features of the core product. Thus, we are gradually approaching an evident proposition claiming, “The health of a brand can definitely be improved up to some extent by celebrity endorsement. But one has to remember that endorsing a celebrity is a means to an end and not an end in itself.”

An appropriately used celebrity can prove to be a massively powerful tool that magnifies the effects of a campaign. But the aura of cautiousness should always be there.

The fact to be emphasized is that celebrities alone do not guarantee success, as consumers nowadays understand advertising. They know what advertising is and how it works. People realize that celebrities are being paid a lot of money for endorsements and this knowledge makes them cynical about celebrity endorsements.
1.9 Impediments of Celebrity Endorsements

1.9.1 Disadvantages of a celebrity endorsing a brand:

The celebrity approach has a few serious risks:

The reputation of the celebrity may derogate after he/she has endorsed the product:

Pepsi Cola's suffered with three tarnished celebrities –

- Mike Tyson
- Madonna
- Michael Jackson.

Since the behavior of the celebrities reflects on the brand, celebrity endorsers may at times become liabilities to the brands they endorse.

1.9.2 The vampire effect:

The terminology *vampire effect* pertains to the issue of a celebrity overshadowing the brand. If there is no congruency between the celebrity and the brand, then the audience will remember the celebrity and not the brand.

Examples are the campaigns of Dawn French—Cable Association and Leonard Rossiter—Cinzano. Both of these campaigns were aborted due to celebrities getting in the way of effective communication. Another example could be the Castrol commercial featuring Rahul Dravid.

1.9.3 Inconsistency in the professional popularity of the celebrity:

The celebrity may lose his or her popularity due to some lapse in professional performances.
For example, when Sachin Tendulkar endorser of Adidas went through a prolonged lean patch recently, the inevitable question that cropped up in corporate circles - is he actually worth?

The 2003 Cricket World Cup also threw up the Shane Warne incident, which caught Pepsi off guard. With the Australian cricketer testing positive for consuming banned substances and his subsequent withdrawal from the event, bang in the middle of the event, PepsiCo - the presenting sponsor of the World Cup 2003 - found itself on an uneasy wicket

**1.9.4 Multi brand endorsements by the same celebrity would lead to overexposure:**

The novelty of a celebrity endorsement gets diluted if the endorser does too many advertisements.

This may be termed as *the commoditization of celebrities*, who are willing to endorse anything for big bucks.

Example, the MRF was among the early sponsors of Tendulkar with its logo emblazoned on his bat. But now Tendulkar endorses a myriad brands (Adidas, Boost, and Pepsi etc) and the novelty of the Tendulkar-MRF campaign has scaled down.

Example, Amitabh Bhachchan has a lot of brands to endorse like: Dabur, Cadbury, Himalaya’s Navratna, Raymonds, Satmola, Indian Government’s Polio Scheme. Which creates a confusion amongst the customers as to go by his words for

*Celebrities endorsing one brand and using another (competitor):* Sainsbury’s encountered a problem with Catherina Zeta Jones, whom the company used for its recipe advertisements, when she was caught shopping in Tesco.

A similar case happened with Britney Spears who endorsed one cola brand and was repeatedly caught drinking another brand of cola on tape.
Mismatch between the celebrity and the image of the brand: Celebrities manifest a certain persona for the audience. It is of paramount importance that there is an egalitarian congruency between the persona of the celebrity and the image of the brand. Each celebrity portrays a broad range of meanings, involving a specific personality and lifestyle. Madonna, for example, is perceived as a tough, intense and modern women associated with the lower middle class. The personality of Pierce Brosnan is best characterized as the perfect gentlemen, whereas Jennifer Aniston has the image of the ‘good girl from next door’.

Successful celebrity endorsements for a brand- An Indian perspective

The latter part of the ’80s saw the burgeoning of a new trend in India– brands started being endorsed by celebrities. Hindi film and TV stars as well as sportspersons were roped in to endorse prominent brands. Advertisements, featuring stars like Tabassum (Prestige pressure cookers), Jalal Agha (Pan Parag), Kapil Dev (Palmolive Shaving Cream) and Sunil Gavaskar (Dinesh Suitings) became common. Probably, the first ad to cash in on star power in a strategic, long-term, mission statement kind of way was Lux soap. This brand has, perhaps as a result of this, been among the top three in the country for much of its lifetime.

In recent times, we had the Shah Rukh-Santro campaign with the objective of mitigating the impediment that an unknown Korean brand faced in the Indian market. The objective was to garner faster brand recognition, association and emotional unity with the target group. Star power in India can be gauged by the successful endorsement done by Sharukh for three honchos- Pepsi, Clinic All Clear and Santro. Similarly, when S Kumars used Hrithik Roshan, then the hottest advertising icon for their launch advertising for Tamarind, they reckoned they spent 40 - 50 per cent less on media due to the sheer impact of using Hrithik. Ad recall was as high as 70 per cent, and even the normally conservative trade got interested.
In the Indian context, it would not be presumptuous to state that celebrity endorsements can aggrandize the overall brand. We have numerous examples exemplifying this claim. A standard example here is Coke, which, till recently, didn’t use stars at all internationally. In fact, India was a first for them. The result was a ubiquitously appealing Aamir cheekily stating *Thanda matlab Coca Cola*. The recall value for Nakshatra advertising is only due to the sensuous Aishwarya. The Parker pen brand, which by itself commands equity, used Amitabh Bachchan to revitalize the brand in India. According to Pooja Jain, Director, Luxor Writing Instruments Ltd (LWIL), post Bachchan, Parker’s sales have increased by about 30 per cent.

India is one country, which has always idolized the stars of the celluloid world. Therefore it makes tremendous sense for a brand to procure a celebrity for its endorsement. In India there is an exponential potential for a celebrity endorsement to be perceived as genuinely relevant, thereby motivating consumers to go in for the product. This would especially prove true if the endorser and the category are a natural lifestyle fit like sportspersons and footwear, Kapil-Sachin and Boost or film stars and beauty products.

*Some Global Examples:*

Globally, firms have been juxtaposing their brands and themselves with celebrity endorsers. Some successful ongoing global endorsements are as follows:

- Celebrity endorsements have been the bedrock of Pepsi’s advertising. Over the years, Pepsi has used and continues to use a number of celebrities for general market and targeted advertising, including Shaquille O’Neal, Mary J. Blige, Wyclef Jean, and Busta Rhymes, who did a targeted campaign for their Mountain Dew product.
- George Foreman for Meineke. He has also sold more than 10 million Lean Mean Fat-- Reducing Grilling Machines since signing with the manufacturing company.
• James Earl Jones for Verizon and CNN.
• Nike golf balls, since the company signed Tiger Woods in 1996, have seen a $50 million revenue growth. Nike's golf line grossed more than $250 million in annual sales. In 2000 he renegotiated a five-year contract estimated at $125 million.
• Other successful endorsements like Nike—Michael Jordan, Dunlop—John McEnroe, Adidas—Prince Naseem Hamed, and so on.
• Venus Williams, tennis player and Wimbledon champion has signed a five-year $40 million contract with sportswear manufacturer Reebok International Inc.

CONCLUSION

Despite some of the economic advantages of taking relatively unknown personalities as endorsers in advertising campaigns, choosing celebrities to fulfill that role has become common practice for today's competing brands in a present cluttered media environment. There are several reasons for such extensive use of celebrities. Because of their attractiveness, celebrities may help advertisements stand out from the surrounding clutter, thus improving their communication and recalling ability. Celebrities may also generate huge PR leverage for brands. For example, when Revlon launched the "Won't kiss off test" for its Colorstay lipsticks in 1994 with Cindy Crawford kissing reporters, the campaign featured on almost every major news channel and equally widely in the press. A brief assessment of the current market situation indicates that celebrity endorsement advertising strategies can, under the right circumstances, indeed justify the high costs associated with this form of advertising.
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Article 2

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INTRODUCTION

The report is about analyzing the effectiveness of celebrity endorsements of FMCG products in Indian market and its effect in the buying behavior of consumers of FMCG products in NCR Delhi. The basic objective here is to find out the influence of celebrity endorsement in the decision making process for a consumer when buying FMCG products.

Kotler (2006) defines celebrity endorsements in very simple terms; Kotler (2006) explains that celebrity endorsement is a particular strategy used by marketers to advertise a product from such a platform through which consumers can associate themselves with the brand value from the perspective of the celebrity personnel. In India a celebrity idolizes in the mind of the consumer so large that any activity can be capitalized on their huge fan followers (Erdogan, 1999). Therefore the huge and binding relationship between celebrity endorsement and consumer behavior can not be ignored or undermined in a competing business environment like India.

Using well-known and admired people to promote products is a widespread phenomenon with a long marketing history (McCracken, 1989). Even former U.S. president Ronald Reagan was a celebrity endorser, pitching several different products, including cigarettes, during his acting days. Some American actors or actresses who refuse to endorse products in the United States are willing to do so in Japan (e.g., Arnold Schwarzenegger for Aramin V-drink, Meg Ryan for Dingo autos, Leonardo DiCaprio for Suzuki Wagon
R, Jodie Foster for Morinaga Caffe Late, and Harrison Ford for Honda Legend). The rationale behind these strategies is that a famous person can draw attention to a brand and shape the perceptions of the brand by virtue of the inferences that consumers make based on the knowledge they have about the famous person. (Goldsmith et al, 2006)

Consequently, in choosing a celebrity endorser, it is important for the celebrity to be well enough known that the awareness, image, and responses for the brand may be improved. (Goldsmith et al, 2006) In particular, a celebrity endorser should have a high level of visibility and a rich set of potentially useful associations, judgments, and feelings. Ideally, a celebrity endorser would be seen as credible in terms of expertise, trustworthiness, and likeability or attractiveness, as well as having specific associations that carry potential product relevance. (Goldsmith et al, 2006)

Kelkar (2008) states that in the past also a number of different brands have created strong associations to celebrities that have served as sources of brand equity, and this has actually done wonders for these firms. For example, actress Candace Bergen appeared in over 100 commercials for Sprint and helped to give the brand a smart, feisty, and irreverent image before being replaced by TV actress Sela Ward. Similarly, Lee Lacocca was seen as a feisty, patriotic symbol for Chrysler automobiles while he was chairman there. Down-to-earth sportscaster John Madden has been a long-time pitchman for Ace Hardware.

In India quite a few companies that market FMCG products are using popular sports persons and film stars in their advertising to endorse their products. Sachin Tendulkar, Rahul Dravid, Saurav Ganguly, Amitabh Bachchan, Shahrukh Khan, and many others are a common sight in ads; the list goes on and on. Companies expect to derive three types of benefits from endorsers Kelkar (2008):

- Endorsers increase viewing of TV ads and readership of newspapers and magazines.
Endorsers can influence positive attitude changes towards a company and its brands because of their credibility.

Endorser’s perceived personality characteristics can get associated with a brand’s imagery.

Consumers associate varying degree of credibility with different information sources (Dean, 1999). It is believed that the more credible the source, the more persuasive the endorser is likely to be in influencing the acceptance of ad message by the audience. Endorsers in ads are viewed as a “source” of information and influence audience’s acceptance of message content because of their credibility and attractiveness. (Dean, 1999) Besides this, it is also believed that endorsers possess some symbolic attributes which consumers associate with the brand. By purchasing, owning and consuming those brands, consumers see themselves as possessing those desired attributes. There was a news article that a youngster died while trying to emulate a risky jump taken by Salman Khan in an ad of Thums-Up. Coca-Cola ads use endorsers who portray an image of being “young” and “modern.”

Various media are available to communicate an advertisement message. (Zafer et al, 2001) Femina magazine reaches a large number of educated urban, upper class and fashion conscious women. India Today is a much respected popular magazine, while a different segment patronizes Economic Times. Then, there are special interest magazines. There are more than 50 satellite TV channels, besides radio and other media. (Zafer et al, 2001) The marketer must know which the appropriate medium is to reach the target market to ensure that the message is presented to the right audience. A wrong choice may mean considerable loss of money and no message impact.

The advertiser would like to choose the type of message that will create favorable attitudes and feelings most likely to precipitate the desired action. (Zafer et al, 2001) The
message content can focus on a rational or emotional approach. Humorous messages attract consumer attention and put her/him in a pleasant mood. Music can add emotion and make the consumers more inclined towards the message. The marketer may favour a brand comparison approach, or use sex or fear appeals. There is a wide choice in developing an appropriate message for the target audience. Erdogan (1999)

Which source will be most effective in getting consumer attention? In the present advertising scenario, it is a formidable challenge for advertisers to break through this clutter. Advertisers use well-known personalities from sports, film and other fields to attract the target audience’s attention. Erdogan (1999) If at all a product or service is to be presented to consumers, then there must be a message that catches the consumers’ attention. Without a message, there is no advertising, and without consumers’ attention no amount of advertising can succeed.

Brand’s mere association with a celebrity cannot build the brand. Rather it supports the brand in its quest to build strong personality in the market. Therefore brands must practice branding in its totality and use endorsements to support the basic activities.

A brand's association with any sport will have to match the brand's identity and personality. An association with any sport or celebrity will only reiterate the already existing personality of the brand.

Nike wanted to venture into the premium golf segment, it was only natural for a brand built on sports to enter another sports segment. Nike teamed up with the ultimate golfer Tiger Woods and the association has proved to be highly successful to Nike.

Celebrity Endorsement has attracted immense debate on whether it really contributes to the brand building process or whether it is just another lazy tool to make the brand more visible in the minds of the consumers.
It has been observed that the presence of a well-known personality helps in solving the problem of over-communication which is more prominent these days, and there are few undesirable impacts of this practice on the brand.

Corporate credibility along with endorser credibility plays a significant role in the attitude of the consumer towards the brand and the advertisement respectively.

1.1 **Firms endorse celebrity for a variety of reasons:**

1. It might be the life experience of the celebrity that fits the advertising message or the endorser's high appeal with the firm's consumer target group.
2. Consumers positively value the use of celebrity endorsers in the advertisements.
3. Firms invest significant money in putting together brands and organizations with endorser qualities such as attractiveness, likeability, and trustworthiness.

These days the firms are investing huge sums on celebrity endorsements. I.e. out of total marketing budget 26-30% on an average is incurred on celebrity endorsements. In lot of firms like Reebok India, Adidas India, Nike India & Puma India which all companies are subsidiary of their respective international entities are spending majority of their marketing budget in India on brand endorsements. The more successful the brand in India higher is their investment in brand endorsements.

For Example: Reebok India when came to India in the year 1995 had all the brand endorses as international sports performers which were not too relevant with majority of Indian consumers and only for the niche consumers. As slowly over a period of time Reebok India wanted to capture higher market share in India they had to get higher relevance with their Indian consumers by which they could connect well with them and earn more revenues by expanding their presence all in tier – 1,2 cities.
When a brand wants to connect with their target consumers than they have to forward their brand value through a correct endorsee only, which very well connects and target market aspires to be like that brand. Than only consumers would go ahead to purchase the brand.

We concluded that celebrity endorsement is a mere channel and not the business expansion strategy.

As these foreign brands came to India for catering the niche market segment, over a period of time they realized that Indian market has huge potential and they want to expand in this area. Then these multinationals started getting more of Indian sports performers initially Reebok’s brand ambassador was Nelly Farrago for basket ball than over a period of time when they realized that Indian consumers have no significance than they planned to introduce Allen Iverson & You Ming the world famous basket ball players. After a while Reebok understood that India as a country is obsessed about cricket than Reebok got a major sector to increase their business.

They got best of cricketers like: Rahul Dravid, M.S. Dhoni, Yuvraj Singh, Harbhajan Singh etc. and they launched their special collection of these cricketers like Rahul Dravid collection in which they launched RD 10 Shoes and Rahul Dravid Jackets and other apparels.

Reebok also took “Chak De India” girl “Sagarika Ghate” who got fame by one movie is also the brand ambassador of Reebok which again connects to Indian customers faster than other brand ambassador of Reebok like “Scarlet Johnson” a famous US Actress.

The Revenues received by Reebok would increase as it is connecting more itself to foreign brand ambassadors.
“Armani” the brand has David Beckham as their brand ambassador and if instead of him in India the brand ambassador would have been Amitabh Bachchan or Sharukh Khan it would have connected to Indian customers more than any other endorsee.

Nike India has taken Leander Peas, Mahesh Bhupati, S.Shrishanth as their Indian brand ambassadors to promote Nike as a sports wear for niche segment

Puma a new venture in India is also planning to expand aggressively in India as they have launched themselves as young lifestyle oriented sports brand as the initial mindset of sports people was mere performance and not style, now internationally the sports wear is becoming not just performance based but lifestyle oriented as well.

If we look at Indian Brands like Lakhani, Action, Woodland, Bata, Red Tape, Pantaloon etc than these brands have tried to get brand ambassador but their marketing budget was never so extensive through which they could afford famous Bollywood & Cricket Stars which could get the brands a lot of recognition.

Although they cater to a large percentage of Indian market but the target segment which is being catered by these international brands is not captured by the domestic brands and the revenue earned by these domestic brands is not at all in proportion to the revenue earned by international brand’s subsidiary in India.

From the above statements we can conclude that the brand endorsements done by domestic brands is not at all in proportion with endorsements done by international brands this case is for apparel & footwear brands only and the effect of endorsements done by domestic brands is not letting the effect of brands endorsements as high as of international brands choosing the brand ambassadors as due to globalization every niche consumer targeted by these sports oriented companies can connect more with international endorsees as they want to be world renowned.
If we consider the FMCG products after focusing Eatables & Beverages than the endorsements by domestic stars would be more effective as the food preferences are very much country specific.

**Changing scenario: Importance of Brand Endorsements**

Does celebrity endorsement really work?

The qualities associated with the endorser are associated with the brand and the brand therefore remains at the top of the consumer's mind. The impact of an endorser cannot be sustainable in all product categories and in all the stages of brand life cycles.

The Impact depends upon the type of product-

- If it is a 'functional brand', then the product itself is the hero.

Any celebrity’s association with the brand without corresponding performance of the product will not be sustainable.

- Incase of 'image brands', like the categories of soaps, soft drinks, cigarettes etc., where it is difficult to distinguish between the products, celebrity endorsements help to distinguish between the brands at an emotional level.

Pepsi Co. has used a variety of celebrities including Aishwarya Rai, Hrithik Roshan, Amitabh Bachchan, Kareena Kapoor, Rahul Khanna, Fardeen Khan, Sachin Tendulkar etc. Amongst advertisements featuring celebrities, Pepsi tops the heap with the highest recall of 70%, while arch rival Coke is lower across all markets with 52% recall. This proves that Pepsi has really exploited the use of celebrities in their advertisements.
Hindustan Lever's 'Lux' soap in India has been using popular film actresses and actor to endorse the soap since its launch four decades ago implying that they owe their stunning looks to the brand. This consistent message hence reinforces the brand values and has been successfully able to position the soap rightly as the 'beauty soap'.

It would be difficult to judge the direct effect of celebrity endorsement on the sales or profits of the company.

Amitabh Bachchan endorsing RIN, an HLL spokesperson says that it was too early to gauge the success of 'Rin' in terms of sales and that though Dabur healthcare products' sales had improved, the increase could not be solely attributed to endorser.

**Vice-President (Marketing), Dabur India Ltd quotes;**

"A celebrity does help in increasing brand sales, but only if he/she is selected carefully and used effectively. The personality of the brand and the celebrity have to complement each other and the selection of the celebrity is, therefore, very important."

Celebrity endorsements gives brands a touch of glamour and the hope that a famous face will provide added appeal and name recognition in a crowded market.

In the battle for the mind, you get the customer excited by showing him a known face, and an effective demand is created. As well it helps in increasing the recall value of the brand.
In Today’s scenario various multinationals which have established their base in India are taking brand ambassador as their tools to make the population of the country familiarize with them and their products.

The faith of the domestic population of the country can only be taken when people of country are familiar with a particular person along with faith in them. These multinationals like Reebok, Nike, Adidas etc when wanted to establish themselves in India has taken Indian athletes as their brand ambassadors as their performance is acknowledged by all domestic residents.

These MNC’s have allocated huge proportion of their marketing budget towards brand endorsements.

Brand endorsements have become very important for these companies as the normal customers aspires to be like the endorsee and use the same products which the endorser is using as to deliver similar performance.

As Bipasha Basu is considered one of the fittest bollywood actress, if she is considered for a sports inspired brand than her fans or people who aspire to be as fit as her would definitely go and purchase that sports brand’s apparel and footwear so as to be like her.

**Celebrity Endorsements across the Indian Industry**

India has opened its markets only recently and is witnessing an era of competition that its industry never imagined. Many venerable old organizations are now clenching at expensive straws to survive.

Consequently, one of the most noticeable trends over the last five years has been the plethora of celebrity endorsements. Across product categories, from toiletries to telecom, hi-fi's to hotels, ready-mades to razor blades, everyone seems to be roping in a "Brand Ambassador" to sell their products. If we take a look at the set of brand ambassadors who
have been contracted so far, they are all either from the world of film or cricket. This is because India produces and consumes vast quantities of both.

Celebrities are involved in endorsing activities since late nineteenth century. The advent of celebrity endorsements in advertising in India began when Hindi film and TV stars as well as sportspersons began encroaching on a territory that was, until then, the exclusive domain of models. One of the first sports endorsements in India was when Farokh Engineer became the first Indian cricketer to model for Bryl cream. The Indian cricket team now earns roughly Rs. 100 crore through endorsements.

**The latter part of the '80s saw a new trend in India—**

Brands started being endorsed by celebrities. Hindi film and TV stars as well as sportspersons were roped in to endorse prominent brands.

**Advertisements featuring stars like**

- Tabassum (Prestige pressure cookers),
- Jalal Agha (Pan Parag)
- Kapil Dev (Palmolive Shaving Cream)
- Sunil Gavaskar (Dinesh Suiting)

Than after 80’s came the era of 90’s when globalization happened in India and investment from foreign entities was coming to India, and India as a country was not ready to accept foreign brands but due to open policies and awareness coming to residents of India lot of foreign brands were established in India and huge investments happened in lot of diverse sectors like- Iron & Steel, Manufacturing sector. Here lot of international exposure came to Indian residents where they became aware about what’s happening in foreign developed countries.
Than various MNC brands started using international brand ambassador to represent their brand in the country and to cater to the niche market segment in India. Reebok India Ltd was established in 1995 with foreign brand ambassadors like- Chivas de Guadalajara etc.

Than over a period of time when service sector became a huge part of Indian economy than the purchasing power of people increased and they started following up trends where in they started with all international brands and with ongoing international exposure and with paying capacity as well Indian consumers started asking for something international and better in all aspects which are generally considered. Than came the Era of brand endorsements in India.

All multinational as well as domestic brands wanted to capture on this opportunity of increasing purchasing capacity on Indian consumers.

The first ad to cash in on star power in a strategic, long-term, mission statement kind of way was Lux soap.

Shah Rukh-Santro campaign was with the objective of mitigating the impediment that an unknown Korean brand was facing in the Indian market. The objective was to garner faster brand recognition, association and emotional unity with the target group.

Star power in India can be gauged by the successful endorsement done by Sharukh for honchos- Pepsi, Clinic All Clear and Santro, Lux, Lenovo (IBM), Belmonte etc. He is currently endorsing more than 8 brands across diverse sectors. Where by people agree with his decision and go ahead to invest in the brand.

When S Kumar’s used Hrithik Roshan, then the hottest advertising icon for their launch advertising for Tamarind, they reckoned they spent 40 - 50 per cent less on media due to the sheer impact of using Hrithik. Ad recall was as high as 70 per cent, and even the normally conservative trade got interested.
In the Indian context, it would not be presumptuous to state that celebrity endorsements can aggrandize the overall brand.

A standard example here is Coke, which, till recently, didn't use stars at all internationally. In fact, India was a first for them. The result was a ubiquitously appealing Aamir cheekily stating Thanda matlab Coca Cola.

The recall value for Nakshatra advertising is only due to the sensuous Aishwarya.

The Parker pen brand, which by itself commands equity, used Amitabh Bachchan to revitalize the brand in India.

According to Pooja Jain, Director, Luxor Writing Instruments Ltd (LWIL), post Bachchan, Parker's sales have increased by about 30 per cent.

India is one country, which has always idolized the stars of the celluloid world. Therefore it makes tremendous sense for a brand to procure a celebrity for its endorsement. In India there is an exponential potential for a celebrity endorsement to be perceived as genuinely relevant, thereby motivating consumers to go in for the product. This would especially prove true if the endorser and the category are a natural lifestyle fit like sportspersons and footwear, Kapil-Sachin and Boost or film stars and beauty products.

Celebrity Endorsements are highly catching up the Indian industry today every bollywood actor is endorsing one or more brands and every athlete is also endorsing one or the either brand.

HLL one of the major FMCG company has more than 154 products and out of them more than 35 are highly advertised where in the use of endorsers come into the picture.
P&G is another big market player in FMCG products again they have more than 25 highly advertised products.

Where in just in FMCG products we have more than 110 products to be highly advertised and than comes the other sectors like durable goods, Technology oriented goods and lifestyle oriented goods.

India is currently spending more than 50 Billion every year for celebrity endorsements

Reebok in all has 54 Brand Endorsements for Asia Pacific Region, Internationally it has more than 70+ Brand Endorsers across all sports ie Cricket, Soccer, Basket Ball, Tennis, Ice Hockey, National Football League, golf, baseball, running, volleyball, wrestling, auto racing.

Reebok India Ltd has recently ventured into Lifestyle Apparels and Footwear where the Brand Ambassodor for Rbk lifestlye is Scarlet Jonson.

Nike India has 10 Indian Endorsers across all sports and internationally it has more than 50+ Brand endorsers across all sports ie Cricket, Soccer, Basket Ball, Tennis, Ice Hockey, golf, skateboarding, baseball, bicycling, volleyball, wrestling, cheer leading, aquatic activities, auto racing.

Pantaloons have Zayed Khan, Sunny Deol and Bipasha Basu (Bolly wood Stars) as their fresh look Ambassadors where they impart the message that as they possess a fresh outlook similar is the brand – absolutely fresh.

**Objectives of the study**

- To find out effectiveness and impact of celebrity endorsement on the consumers buying behavior in the FMCG Segment
- To analyze the reason behind the attitudes of consumer towards FMCG products which are endorsed by the celebrities
Research Methodology

Research methodology is a way to systematically solve the research problems. It may be understood as a science of studying how research is done scientifically. In it we study the various steps that area generally adopted by a researcher in studying his research problem along with the logic behind them. It is necessary for the researcher to know not only the research methods / techniques but also the methodology. Researchers not only need to know how to develop certain indices and tests, how to calculate the mean, the mode, the median or the standard deviation or the chi square, how to apply particular research techniques, but they also need to know, which of these methods or techniques, are relevant and which are not. Researchers also need to understand the assumptions underlying various techniques and they need to know the criteria by which they can decide that certain techniques and procedures will be applicable to certain problems and others will not. All this means that it is necessary for the researcher to design his methodology for his problem as the same may differ from problem to problem. For example, an architect while designing a building, has to consciously evaluate his decision, i.e., he has to evaluate why and on what basis he selects particular size, number and locations of doors, windows and ventilators, uses particular materials and not others and the like. (Kothari, 2007)

➢ The Researcher in the present study aimed to analyze the effectiveness of celebrity endorsements on the buying behavior of consumers of FMCG products in Indian market. The basic objective here is to find out the influence of celebrity endorsement in the decision making process for a consumer when buying FMCG Products in New Delhi (India).
Research Approach

➢ The research approaches selected for the study was descriptive survey as per the nature of the study.
➢ According to Gupta (2003) descriptive survey is concerned with the condition of relationships that exists, practices that prevail, beliefs, point of view or attitudes that are held, processes that are going on, effects that are being felt or trends that are developing.
➢ The present study was focused to find out whether there exists any relationship between celebrity endorsement and consumer’s buying decision. For these purposes a descriptive survey approach was considered to be most appropriate.

Research Design

➢ According to Saunders et al (2005) research design is the over all plan for collecting and analyzing data, including specifications for enhancing the internal and external validity of the study. Gupta (2003) highlighted that the selection of research design depends upon the purpose of experiment, variables to be manipulated and the conditions under which the experiment is to be conducted.
➢ The objectives of the descriptive research according to Saunders et al (2005) is to answer the “who, what, when, where and how” of the subject under study. In descriptive studies, the researcher has to give adequate thought to framing research questions and deciding the data to be collected and the procedure to be used for this purpose. Data collected may prove too inadequate if the researcher is not careful in the initial stages of the data collection. It designs are used for some definite purpose. It cannot identify the initial stages of data collection.
➢ The research design in the present study was descriptive in nature.
Nature of Data:
➢ The research has made use of both, the primary sources and the secondary sources of data in eliciting information.

Primary Data
➢ The primary source of data involves questionnaire survey through e-mail. These sources are inadvertently expected to yield more qualitative data and results.

Sample Population
➢ According to Saunders et al (2005), population is any group of individuals that have one or more characteristics in common and are of interest to the researcher.

➢ Since it was not possible for the investigator to survey all the buyers of FMCG products in New Delhi therefore this study is based on the sampling study done on the sample size of 100 persons residing in New Delhi (India). The respondents were contacted through e-mail, questionnaire was send to them electronically and the reply was sought.
➢ Sample size: 100
➢ Sample area: New Delhi (India)

DISCUSSIONS
• Celebrity endorsements add to remembering the ads and have higher brand recall or top of the mind recall.
• Amongst FMCG advertisements featuring celebrities, for example Pepsi tops the heap with the highest recall of 42% because Pepsi in India has been using popular film actresses to endorse the soft drink since its launch decades ago implying that they owe their strength and energy to the brand. This consistent message hence
reinforces the brand values and has been successfully able to position the Pepsi rightly as the King of all soft drinks in India

- The target audience age group of 25-35 like celebrity endorsed FMCG Companies Ads over other ads.
- Bollywood still has the strongest presence in any list of celebrity endorsements.
- Consumers perceive a FMCG brand as having superior quality because it has been endorsed by a credible source. This makes endorsement as one of the indictors of quality for any brand.
- Consumers perceive that celebrities add value to the product but it's not that they'll buy a product just because they like an Ad.
- Target audience perceives that celebrity advertisements carry some authenticity and their purchase decision is influenced by them to a major extent.
- The target audience age group of 25-35 gets influenced first by Bollywood stars and then by kids in the ads of FMCG Companies
- The qualities associated with the endorser are associated with the brand and the brand therefore remains at the top of the consumer's mind.
- Consumers find celebrities very appealing, very exciting, somewhat persuasive, neither informative nor un-informative and neither credible nor non-credible in the ads of FMCG Companies.
- FMCG Companies’ advertisements featuring celebrities had left an impact on 75% the target group at some point of time because of attractiveness of the celebrities.
- Consumers are more likely to purchase a celebrity endorsed product because celebrities draw attention to the brand.
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