1 INTRODUCTION

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 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 (McCracken, 1989). 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 with celebrities that have served as sources of brand equity, and this has actually done wonders for these firms.
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, Salman Khan, Katrina kaif 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 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.”

While companies are investing huge sums of money into the concept that sports people of today and yesterday are good endorsers, they are also recognizing that choosing a celebrity endorser is no longer a matter of personal taste (Marhur et al, 1997). Several companies have learned it the hard way that high priced endorsers have been suspected of
involvement in messy scandals and controversies. The cricket match fixing suspicions have seemingly put the wrong kind of limelight on some famous sports persons who were endorsing some multinational brands. (Marhur et al, 1997)

**Table 1: The persuasion matrix**

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<th>Steps in persuasion (dependent variables)</th>
<th>The communication components (independent variables)</th>
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(McGuire, 2005)

For a number of companies using sports people as endorsers, risk management has become a major consideration. Some companies are moving away from controversial sports personalities and are putting their money on those who would attract attention to enhance the product or company image.

It has become imperative that a company must select the right spokesperson to deliver a persuasive message through appropriate media to make the advertising campaign effective (Dean, 1999). The advertiser has control over some communication elements such as source, message and media, etc. William J McGuire’s “persuasion matrix” helps advertisers to assess how the independent variables interact with the consumer’s response process. Brand managers should know how the decisions about each independent variable could influence the stages of response hierarchy. There are examples of ads that used sex
appeal, humor, or celebrities as endorsers to attract the consumers’ attention. These advertisements were quite successful in attracting the audience attention, but proved ineffective in brand name or brand message recall. (McGuire, 2005)

Comprehension of advertisement messages by the consumer is an important prerequisite in precipitating desired behavior. The advertiser must know the important characteristics of the target market to develop a message that would be clear and understandable. Less educated audience may experience difficulty in interpreting complicated message. For example, in rural India, it would be futile to use a complicated language to communicate the ad message. The use of familiar symbols and words of the commonly spoken language can make the message more comprehensible.

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 a 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.
The theories like Source Credibility Theory, Source Attractiveness Theory and Meaning Transfer Theory provide a basis on which the methodology of celebrity endorsement works and also explains how the process of the celebrity endorsement influences the minds of the consumers.

Firms invest huge amounts as advertising expenditure for hiring the right celebrity. The issue of matching the values of the celebrity with the brand values is also very important, i.e. getting the right celebrity to endorse the right brand.

Consumers perceive the brand as having superior quality because it has been endorsed by a credible source. This makes endorsement as one of the indicators of quality for any 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 positive 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 a 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 endorsesees 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 the 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 the 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 basketball 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 basketball 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. Recently Reebok India has signed a contract John Abraham as its new brand ambassador.

“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. In India as tennis is a game played by only 0.001% of population. Than when Nike wanted to expand their reach in India they came up with Nike’s association with Indian Cricket team as their official apparel sponsor.

The reach of Nike expanded with its increasing popularity in the Indian cricket. The revenue earned by the brand depends upon its reach, higher the reach the more likely higher revenues the brand is going to earn.
If just considering the reach of international sports brands in India than each of the following brands have following no. of stores:

![Graph showing market share of brands]

We can see by the above two Charts that no. of stores is positively correlated with higher the revenue brands are earning i.e. Reebok India has 545 stores which contributes to a total of 48% market share amongst the sports brands which is the highest amongst all other sports brands in India. Next is ADIDAS which has a market share of 25% and the numbers of stores owned by them is 157 which is on high expansion spree in 2008 and
ADIDAS is actually looking for a high revenue growth in India that is they are looking forward to open more stores in Tier-1 & 2 cities.

Nike which is considered a niche sports brand in India in all has 54 stores with a high market share of 22% in India, which is comparatively high as per no. of stores they have in India. As internationally Nike is the brand which has highest market share amongst all the sports brands even ahead of New Balance.

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.

1.2 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.

- In case 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.

Marketing Budget allocation of these Sports inspired apparel & footwear companies will be considered as follows:

- Brand Endorsements – 28-30%
- Media Investments(Advertisements, OOH, Print, Outdoor) – 45-50%
- Retail outlets maintenance- 25%
Brand Endorsements have taken major proportion of investments and marketing budget of these MNC’s as their establishment and growth is based on these funds. The owners promote their company from these funds and earn somewhere gross margins of 50-60% from their products which they sell to the niche market consumers.

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.

1.3 Source Credibility Theory,

“Acceptance of the message depends on ‘Expertness’ and Trustworthiness' of the source” Expertness is defined as the perceived ability of the source to make valid assertions. Trustworthiness is defined as the perceived willingness of the source to make valid assertions. Audience acceptance increases with the expertness of the source and the ability of the audience to evaluate the product.

According to Source Attractiveness Theory, which is based on social psychological research, the acceptance of the message depends on familiarity, likeability and similarity.

Familiarity is the audience's knowledge of the source through exposure; likeability is the affection for the source's physical appearance and behavior while similarity is the
resemblance between source and receiver. This theory explains the message acceptance in two ways: Identification and Conditioning.

Identification is when the receiver or the target audience of the communication begins to identify with the source's attractiveness, and hence tends to accept his opinions, beliefs, habits, attitudes etc. On identification,

A quote from Bijou Kurien, COO Titan:” We decided on Aamir because we wanted someone who is a bit iconic, who is style-conscious himself, and somebody who cuts across both sex and age group, between urban and rural India.

A celebrity who is moldable and who is not over-exposed”. Conditioning is when the attractiveness of the source is supposed to pass on to the brand after a regular association of the source with the brand.
The theory explains that a celebrity encodes a unique set of meanings which, if well used can be transferred to the endorsed product. Such a transfer takes place in three stages –
1. Encoding meanings
2. Meaning transfer
3. Meaning capture

I. Encoding Meanings: Each celebrity has a unique set of meanings, which can be listed by age, gender, race, wealth, personality or lifestyle. In this way, the celebrities encode a set of meanings in their image. For example Preity Zinta can be seen as a lively and charming actress.

II. Meaning Transfer: This stage transfers those meanings to the product. When skillfully portrayed, celebrities can communicate this image more powerfully than lay endorsers.

III. Meaning Capture: This assumes that consumers purchase products not merely for their functional value but also for their cultural and symbolic value.

The theory says that consumers buy the endorsed product with the intention of capturing some of the desirable meanings with which celebrities have passed on to the product. This is more eminent in lifestyle products like clothes, perfumes, cell phones etc.

Therefore, it is very important to choose Right Brand endorser at the Right time and for the 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.

1.4 Brand Endorsements

The essence of an endorsement strategy consists in creating an emotional tie between the consumer and the athlete-endorser. 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.
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.

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 agreement 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.* Ashwairya Rai a brand endorser for Lo’real definitely catches the attention of her Fans who would aspire to be like her.

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. Kalyan Jewellers, India’s largest directly owned jewellery retail chain has Amitabh Bachchan and Aishwarya Rai Bachchan represent Kalyan Jewellers nationally. Aishwarya Rai Bachchan inaugurated various showrooms which gave the brand a massive PR coverage.

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. Indian cricket team captain, M.S. Dhoni endores Reebok, Aircel, Godrej and TVS.
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. For example Amitabh Bachchan, Sharukh Khan.

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 Amitabh 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:

1. Celebrity’s fit with the brand image
2. Celebrity—Target audience match
3. Celebrity associated values.
4. Costs of acquiring the celebrity
5. Celebrity—Product matches
6. Celebrity controversy risk
7. Celebrity popularity
8. Celebrity availability
9. Celebrity physical attractiveness
10. Celebrity credibility
11. Celebrity prior endorsements
12. Whether celebrity is a brand user
13. Celebrity profession

1.8 Celebrities endorse endorsing the related sporting products as follows:

(a) Increasing awareness of
   ⇔ Brand
   ⇔ Product
   ⇔ Company

(b) Image building of
   ⇔ Brand
   ⇔ Product
   ⇔ 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:

a) Media objectives
b) Cost effectiveness
c) Reaching target markets
d) Image based Objectives
e) Sponsorship objectives for business
f) 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 the brand offers clues to the 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:

\[ S = P \times D \times AV \]

**the multiplier effect**

**Where**

- **S** is a successful brand
- **P** is an effective product
- **D** is Distinctive Identity
- **AV** is Added values.

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 \textit{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.

There are many examples where celebrities are being used almost indiscriminately for sheer notice ability-everyone enjoys watching Shahrukh khan dancing, but does this position the brand as the best dandruff shampoo? Or Ajay Jadeja endorsing toothpaste - does this really build brands? Cricket stars are used often for energy drinks or sports goods but their endorsing engine oil makes one.
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 commoditization of celebrities, who are willing to endorse anything for big bucks.

Example, 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 Bhachhan has a lot of brands to endorse like: Dabur, Cadbury, Himalaya’s Navratna, Raymonds, Satmola, Indian Government’s Polio Scheme nd many other which creates confusion amongst the customers as to go by his words.

*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’.

1.10 *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 clutching 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 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.

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.

Also the Recall value of Slice Mango is due to actress Katrina kaif. 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 lifestyle 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 Ambassodors where they impart the message that as they possess a fresh outlook similar is the brand – absolutely fresh.
Importance of Brand Endorsements:

Reebok, Adidas and Nike feels that to brand associations is highly beneficial for the companies as Endorsers impart brand values to the customers.

Companies choose such Brand Ambassadors who directly link with the brand in their professional and personal life aspects where the consumer market can very easily connect to the Brand.

Link of brand endorsements to Revenue Generation:

As a result of survey by company officials brand endorsements are not directly linked with revenue generation but they create an impact on the consumer minds that whenever consumer is thinking about the star than the picture of brand endorsed by him appears on the consumer mind and vice- versa thereby making a positive enforcement to the consumer to buy that brand, whereby consumer wishes to be like the brand.

Brand Endorsements create a lot Recognition:

Brand endorsements done by companies internationally and in the domestic market i.e. INDIA creates a lot of recognition of the brand and people connect themselves with the endorser and by that they use those products by which they i.e. customers can perform in such manner where they can perform better.
Expenditure on Brand Endorsements:

Companies incur huge expenses on association of brands with them, as the following brand endorses use the co’s products all time which includes their expenses & charge heavy sum for their association with the company.

The expenditure done by companies is 10-15 % of their total revenue generated in the year.