CHAPTER- 2

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2.1 Introduction of celebrity endorsements

Advertisers use celebrity endorsements as a part of brand building and promotional effort. They believe that the association of the chosen celebrity with a particular brand will increase the level of credibility and belief about the product with consumers. According to Bara, Myer and Aaker endorsements lead to three types of benefits. First, the endorser increases the advertising readership score. Second, endorser can induce a positive attitude change towards a company and its products. Third, the personality characteristics of the endorser can get associated with the brand's image, resulting in "Prototype Bonding". There is generally a snow-ball effect with celebrities, when one company uses celebrities others inevitably start using celebrity for advertising.

2.2 Global perspective

Celebrity endorsements are popular at world level. If we look at the endorsements fees of some world famous celebrities we find that Indian celebrities still have a long way to reach at that level. If we look at list of top six stars in the world in celebrity endorsements we find that at number one we have Tiger Woods who is considered as worlds best golfer earns around $87 Mn per year through endorsements. Michael Shoemaker who is world's best Formula one driver earns around $ 60 Mn per annum. Others among top earners are David Beckham, Andre Agassi Ronaldo and Maria Sharapova earning millions of dollar per annum as part of their endorsement contracts and fees. (Forbes)\(^1\).

2.3 Evolution of celebrity endorsements in India

Actress Joan Crawford, Clara Bow and Janet Gaynor were among the first celebrities to promote products (Fox 1984)\(^2\). When we talk of celebrity endorsement in India, one of the most prominent brand that comes to our mind is Lux. Since its inception it has used celebrities to promote the brand by using punch line Filmi sitaron ka saundarya sabun (beauty soap of film stars). In 1941 Lux signed Leela Chitnis as the first Indian actress to endorse the
The late 80’s saw growth of celebrity endorsement in India. There was a wave of celebrity advertising with stars like Tabassum (Prestige Pressure Cooker), Jalal Agha (Pan Parag), Kapil Dev (Palmolive Shaving Cream) and Sunil Gavaskar (Dinesh Suitings) started endorsing brands.

2.4 Celebrity endorsement as a strategy

Celebrity endorsement is not a fad, it is part of an organization's well formulated strategy and positioning plan. Companies use celebrities to distinguish their brand in a cluttered market. Any brand needs an icon of trust, dependability. Celebrities lend these attributes from their personality to the brand. The celebrity might contribute in developing a positioning for the brand through his reputation, talent, credibility or charisma and much more. (Murugantham G and Kaliamoorthy S 2006)

Celebrity endorsements as a strategy are also used when companies want to reposition image of its brand. Every celebrity symbolizes or represents some values and meanings. For example, we can say that Sachin Tendulkar symbolizes a middle class Maharashtrian boy who made it big with sheer hard work. Similarly, Shahrukh Khan stands for success, arrival, status, power and control and these attributes permeate into the brand they endorse. Amitabh Bachchan and Aamir Khan as an endorser have helped several brands to get out of controversies and reposition. Thus we can say that celebrity endorsements provide a competitive edge by gaining attention and creating interest to see the advertisement. Celebrities help to differentiate the product and add to brand recall. Celebrities also act as brand building tool. There have been cases where special merchandise has been launched in name of celebrity itself. Perfumes, restaurants and certain food products have been launched in the name of celebrities to name a few.

In this era of sound bytes and channel surfing, there is demand to capture people's time and focus. The key for marketers is to get the message across effectively and embed it in the minds of this target audience. Celebrity endorsement works best when the brand has established identity and Unique Selling Preposition (USP).
Celebrity can then give the brand an added fillip and generate more interest value. Several efforts to launch new products through celebrities have gone in vain. Maruti Suzuki’s Versa and Fiat’s Palio could not survive even when two of the greatest celebrities were associated with it. No celebrity on this earth could compensate for weak product or faulty design.

It is important to recognize that celebrity can create interest- whether that interest leads to sales or not depends on many other factors such as brand-celebrity connect, proper positioning, clutter of celebrities or even product life cycle.

2.5 **Types and Forms of Celebrity Endorsements used in India**

The Following section elaborates the various types and forms in which celebrity endorsers can be used in advertisements.

2.5.1 **Forms of celebrity endorsements**

A celebrity can endorse brands in different ways based on the purpose, the advertisement media and the appeal to be generated. Following types of endorsement forms are seen in use more frequently.

- As spokespersons, for example Amitabh Bachchan in TV show Kaun Banega Crorepati (KBC).
- Use of testimonial i.e. when an advocacy position is taken by a spokesperson in an advertisement. Example Amitabh Bachchan in Cadbury advertising when Cadbury was surrounded by controversy of insect in its chocolates.
- In print and electronic advertisements, e.g., Shah Rukh Khan in Omega and Pepsi.
- In outdoor media like hoarding, e.g., Aishwarya Rai in Lux in some parts of North India.
- As brand ambassadors, e.g., Shahrukh Khan for Tag Heuer.
• The use of brands by celebrities in movies, product placements e.g., Hero Cycles, Paas Paas and Coke in movie Yaadein.

2.5.2 Celebrity endorsements usage and types

Different theories explain use of different types of endorser in different context. Thus it becomes important to understand the theoretical dimensions of celebrity endorsements. For example, Source Credibility theory supports use of expert endorser. The main components of credibility i.e. expertise and trustworthiness are the characteristics of expert endorsers. The source attractiveness model is relevant in case of lay endorser, as they need to be likable in order to make an impact. The meaning transfer model best explains use of celebrity endorsements due to the inherent meanings celebrities’ carry and transfer to the product.

The effectiveness of the endorsement strategy can be maximized by selecting celebrities that stand above the rest in the minds of the target consumer and offer a momentous point of differentiation from his or her peers. (Nair, 2006)⁵

Audience Receptivity-

The ELM model suggests that use of celebrity endorsement is a peripheral route of persuasion. The peripheral route to persuasion is effective when the audience lacks motivation and ability to process information. Based on combination of two, audience involvement conditions i.e. motivation to process information and ability/need to process information, different endorsement strategies might be suitable. When the audience is both motivated and has ability to process information strong arguments will be required. For example an automobile engineer buying a car. If consumer is an amateur (high motivation, low ability) he might respond well to endorsemnet by an expert. If the product is a soap or food product (low motivation, high ability) and if the product is a cologne (low motivation, low ability) then celebrity endorsement will be suitable.

Communication Styles/Creative Strategies in advertisement execution-
In most of the cases celebrities adopt a passive mode of communication i.e. mere appearance with the product. Advertisement execution strategy could aim to increase credibility of setting either by showing celebrity actually using the brand. Another could be endorser overhearing the positive attributes in a store or public place. One technique could be candid interview of the endorser and one could be use of hidden camera where the interviewer asks about the product and endorser answers supposedly unaware of camera. (Tellis, 2006)

2.5.3 Reasons for using celebrity endorsements

Atkin and Block argue that high profile and image associated with celebrities help advertisements stand out the clutter, and improve communication and receptivity of the advertisement. Celebrities are seen, heard, talked about, at different place in different contexts thus gaining Public Relation (PR) leverage for the brand. It is widely believed that celebrity endorsers bring the benefit of their symbolic images (i.e., their personal meaning) to the products and services to which they lend their name and personality. Specifically the cultural meaning that resides within a particular celebrity endorser is passed on to the product or service being endorsed (McCracken, 1989; Langmeyer and Walker, 1991 Boroughs, Hooten and Knowles, 1994). Indeed prototypical bonding is the term used to describe the process of associating a spokesperson’s attributes, traits and values with a particular service or product (Lautman, 1991) It has been found that consumer’s attitudes and perceptions of quality are enhanced when celebrities endorse products (Fireworks and Friedman, 1987). Research studies comparing the impact of advertisements with and without celebrity endorsers have found that those featuring celebrities were rated more positively. This was especially true among teenagers who were more likely to project the celebrity’s credibility to the advertising message and the endorsed product (Atkin and Block, 1983).

According to the meaning transfer model proposed by McCracken (1989), the brand benefits from the association with endorser because they acquire or possess particular configurations of cultural meaning that cannot be found elsewhere. Thus endorser are expected to enhance readership or viewership or listenership and
induce positive attitudinal change towards a company and its products and the personality characteristics of the endorser can get associated with a brand’s imagery. The endorser’s characteristics are viewed from two perspectives. First the endorser is the source of information in the advertisement, hence contributing to the acceptability of the content of the message because of the source’s credibility or attractiveness, where as the second and the most recent perspective suggests that endorser is someone possessing some symbolic properties which are transferred from the endorser to the endorsed brand (through advertising) and then from the brand to the consumer (through the act of purchasing and consuming or owing the brand). Thus it can be inferred that celebrities represent brand personality and advertising agencies should consider the personality aspects of an endorser before assigning to any product so that it matches with the product attributes or brand personality.

Expertise and trustworthiness have been identified as the most significant indicators of source credibility of the communicator (Homer and Lynn, 1990). Of all benefits that a celebrity might contribute to a firm’s advertising program- fame, talent, credibility, or charisma, celebrity credibility with the consumer audience is the most important. Celebrity credibility is understood as the audiences perception of both the celebrity’s expertise- how much the celebrity knows about the product area, and trustworthiness- how honest is the celebrity about the product (Ohanian, 1991) When an information source like endorser is perceived as being credible, audience attitudes are changed. This change occurs through a psychological process called internalization, where the receiver accepts the endorsers’ position on an issue as his or her own. An internalized attitude tends to be maintained even is the source of the message is forgotten or if the source switches to a different position (Petty, Ostrom and Brock, 1981). Earlier research with ethnic minorities has revealed that when a spokesperson matches the audiences’ ethnicity, the spokespersons’ trustworthiness is enhanced, which in turn promotes more favorable attitude towards the advertised brand (Deshpande and Stayman, 1994).

Need to use celebrity arise due to reasons such as brand having close substitutes and lack of differentiation. For brands trying to take an entry into the market and
life cycle is feared to be short it make sense to use celebrity as the objective is to make quick money and exit as celebrities will help achieving quick saliency and familiarity with the brand. The celebrity audiences match and celebrity brand match is seen by executives as being greater in importance as compared to attractiveness.

Celebrities with world wide popularity can help companies avoid “cultural roadblocks” such as time, space, language, relationship, power, risk, masculinity, and femininity. (Murugantham G and Kasliamoorthy S 2006) Global campaigns for products like samsonite and Erricson Mobiles using Pierce Brosnan who plays James bond character in movies can be taken as an example for the above mentioned fact.

The four Q’s that give benefit of using celebrity endorsement are Quick Saliency, Quick Connect, Quick shorthand from brand values and Quick means of brand differentiation. But some time the companies are caught into the celebrity trap. After using once it become difficult to separate the message and the celebrity. An entirely new theme is required in order to liberate the brand from clutches of a celebrity endorser(Sabnavis Madhukar, 2003). There are other benefits also like-

- A celebrity helps a brand to stand out or differentiated from competition.
- Celebrities facilitate instant awareness and immediate attention.
- Celebrity values define and refresh the brand image and a celebrity adds dimension to it.
- A Celebrity adds new dimension to the brand image.
- A celebrity lends instant credibility or aspiration to the brand. Celebrities save time in creating the credibility a company has to build into the brands.
- PR coverage is another reason for using a celebrity. Managers perceive celebrities as topical, which creates high PR coverage. Indeed, celebrity-company marriages are covered by most media, from television to newspapers.
• Use of celebrity could be a panacea for a creative director who runs out of creative ideas.

Not only companies and brands but celebrities also benefit through endorsement process. Primarily three reasons have been identified:

• The first reason that most celebrities would endorse a product for, is the huge compensation involved with it.
• Second reason why celebrities wish to endorse is to get an enhanced level of acknowledgement. KBC and Movers and Shakers helped stabilize the fast declining careers of their respective hosts by providing strong audience recognition.
• Finally, endorsement breeds endorsement. Not only does the subject end up getting better offers but the avenues in related and unrelated fields also open up. Most of the cricketers for example have already been made to walk the ramp and a lot of models have already made way into the movies.

Another advantage of celebrity-based campaigns is that famous people hold the viewer's attention. In this era of sound-bytes and channel surfing, there is a demand for people's time and focus. For instance, a commercial with the Amitabh Bachchan or Aishwarya Rai is more likely to keep a television remote control clicker on the channel versus a commercial with a local doctor or dentist. People want to see Rahul Dravid and other such celebrities again and again thus gaining attention towards the advertisement. The third benefit of using celebrity endorsers is that s/he can provide testimony for a product or service, particularly when the product has been used by the celebrity. Consumers may be more likely to try motor oil endorsed by a famous celebrity like John Abraham. This relationship can increase a consumer's belief and trust in the product and its benefits. The more familiar an endorser, the more likely consumers are to buy the endorsed product (Miciak & Shanklin, 1994).

Customers accept celebrities due to following reasons-

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• A high degree of attention and recall is achieved for messages delivered by celebrities.
• Celebrity Expertise perceived relevant – Expertise is the knowledge that the communicator seems to possess to support the claims made in the advertisements. A well-known face would obviously speak for more expertise than an ordinary one. For example a sports shoe always is better advertised by Rahul Dravid a celebrity from sports field.
• Celebrities are perceived Trustworthy – Trustworthiness refers to the customer’s confidence in the source for providing information in an objective and honest manner. People are more likely to trust the quality of brand if it is endorsed by a celebrity over a non-endorsed one.
• Fan follower ship: People ape the celebrities in their day to day activities and many even dream to become like a celebrity some day. Some know they wouldn’t become as good as the celebrities but sharing common belongings makes them feel better.
• Attraction towards celebrity: Consumers tend to form positive attitude about such people. Physically attractive people are more successful in changing beliefs than non-attractive people.

2.5.4 Selection of a celebrity for a brand

Generally corporate or the advertising agency prepares a marketing brief which gives objectives of the campaign and positioning strategies. Once the relationship among the brief, the brand and the celebrity is established, the association is accomplished. Results of the survey of advertising executives indicated celebrity credibility, celebrity and audience matchup, celebrity and brand match up, celebrity attractiveness, and miscellaneous considerations as major considerations in selection of celebrity (Miciak and Shanklin, 1994). For example, when S. Kumar was to launch its new range of readymade garments, Tamarind, there was the realization that one brand of apparel couldn’t be very different from the others, and what would make the difference was the celebrity. So favorite celebrity with
teens and youngsters Hrithik Roshan was used. The brand personality of Tamarind matches that of Hrithik — Tamarind being a new brand and Hrithik, the new heartthrob. The idea behind Tamarind was the 'flavour you wear' — a brand catering to the fun-loving and adventurous youth and the ambassador chosen also signified a successful and extremely exciting personality — a youth icon of today’s times. So the association was apt and justified. The best advertising comes from a deep understanding of the consumer and how he/she connects with your brands. Therefore, the Thrill (Jhatka as shown in advertisement) of Miranda needs a personality with a sense of humor. That’s why Govinda and Amitabh were used. There is one fact that advertisers using celebrity endorsements need to keep in mind — never let the celebrity become your brand. In doing so, one runs the risk of killing the brand when popularity of celebrity fades. There are many such examples including the classic example of Dinesh Suiting, where Sunil Gavaskar, the brand spokesperson, was allowed to rule the brand, thus becoming bigger than it. No sooner had the association ceased than the brand lost its identity, thereby creating confusion in people’s minds. Therefore, the use of a celebrity must be proportionate to the objective.

2.5.5 Current trends in celebrity endorsements

The celebrity cult is on rise in India, even those who are remotely connected to the rich and famous claim to be amongst them or want to be associated with them. Sociologists and media experts believe that in absence of true heroes, media and market driven icons have fed the very human appetite for gossip and hero-worship. Some experts believe that due to urban lonely life people has more leisure time but not necessarily an interesting one. People spend a lot of time watching television and aspire to the lifestyle of the rich and famous. We have no charismatic leaders who can be positive role models, like Gandhiji in this era, in their place, we have celebrities with fabricated charisma” says sociologist Arvind Rajagopalan in times of India. “The need to project your self and live vicariously through role models is fed by consumerism and mass media says Santosh Desai head of McCann Erickson India in same article. Experts define it as a post television boom trend, because the 24/7 medium is eternally ravenous for pretty
images. But there is more to this than passive communication of glamorous images or gossip. On a major celebrity chat site like India times even minor stars get 50000 hits. Web contest sites like contesttowin.com are flooded with twice as many entries when the prize has to do with a celebrity—whether it’s a meeting with stars or their possessions. But the big question is who is a real celebrity. Creative director Piyush Pandey does not even acknowledge the page 3 regulars as real celebrities. “High-Profile people are not celebrities”, he says and people are smart enough to know that, to decide who their real icons are. This is why only a handful of top movie and sports stars that have a mass appeal over a period of time- can endorse brands successfully. One criterion to define celebrity then could be some one who has gained fame from achievement or talent says Sanjay Narang.(Vaishnavi Shekhar, TOI) 

Most of the MNC sporting companies entered Indian market in 1990s. All these companies have clicked well with the consumers, courtesy association with cricket. Sporting Companies know if they have to stay in game they have to bank on cricket and cricketers. The strategy has been immensely successful in creating awareness in short period of time as no other form of entertainment enjoys same popularity as cricket does. The game itself serves as umbrella brand for these sporting goods companies. Almost every other company has roped in a celebrity endorser from the cricket world and this strategy has helped in achieving great degree of awareness for the brands. Sachin is associated with Adidas since long and Rahul Dravid is endorsing Reebok.(Paul and Saikia, 2002) The trend is visible in almost every other sector for example all Major FMCG companies these days rely heavily on appeal of cricketers to build their brand. Cricket is the most popular sport in India and people say there is no no. 2 and 3. The main reason why cricket has such popularity is that it is a genuine mass sport. It is a sport which an average middle class Indian identifies with. One reason is that cricket is the only sport where we compete at international scale. If cricket is akin to food for an Indian it is fodder for Indian companies. The global coverage and exposure create celebrities out of cricket. Once these sports star achieve celebrity status then their inherent qualities and personality traits also influence the brand positioning for example Sachin epitomizes the need to strive constantly for excellence. He
symbolizes optimism that talent needs no godfather and provides a source of national pride with his consistent brilliance. Similarly Sourav stands for aggression and Rahul stands for technique and consistency. Sports stars provide great value to the brand when there are shared values. Consumers especially teens look at these sports icons as their role model. But celebrities need to be used carefully. It is a double edged sword. If the player perform well its okay if not then there is a big problem. The recent campaigns of some companies thus try to relate itself with the game rather then the celebrity or a team. Over exposure of celebrity could also be a problem. As a solution to this problem Pepsi has used celebrities very effectively by roping in good number of celebrities (Paul and Saikia, 2002). Diversification from cricket could also be a strategy to break the clutter that has surrounded cricket and cricket based celebrity endorsers. More and More business groups such as Tata and others are seeking innovative ways to touch their customers and sports management is one aspect with better return on investment. One of the unwritten rules in marketing is to go where the consumer is heading. Breaking the clutter of cricket and bollywood celebrities. Only an established brand can take up new sports as returns on investment takes time. Tata group is betting big on Formula One and tennis. Tata group is supporting Narain Karthikeyan and Sania Mirza. Both of them have achieved great success at international level and could prove to be very useful as endorsers. This is part of the process that has been for a while where the group has tried to rope in potential world champions. Although newer celebrities are also not late in picking up success as the article in business standard claimed After Dubai appearance, Sania Mirza’s endorsement fees has doubled to an extraordinary Rs 1 Crore. After Sania Played with number one seed Serena Williams we had 22 offers for endorsements said Anirban Das Blah VP-Marketing Golbosport in same article. The company that manages her endorsements has decided to limit the number of new endorsements to four and keep prices high. Her achievement connect is stronger than the film actresses and her image cuts across all societies and towns, so she can reach out effectively to both the youth and to women. Tata tea wanted to change customer perception of tea as an old-fashioned, fuddy-duddy beverage. They wanted Tata Tea to be youthful, outdoor and action oriented brand that gives
you the energy to succeed. Mirza matched the image as someone striving to succeed, not some one who had already reached the top. People even in small towns and cities have also started adopting games other than cricket. Tea sales in January, when the advertisement campaign featuring Sania was running, went up by over 40% over the previous year at Tata Tea as reported in the article of business standard (Gupta, 2006)

After enjoying years of association with cricket and sports companies seem to be calling it off as there is a growing trend among advertisers taking celebrity endorsement route of shifting from Cricket to bollywood. According to data from Adex a division of TAM Media Research total number of brands being endorsed by cricketers and other sports celebrities has reduced substantially as compared to film and TV celebrities. The reason could be that there is no performance anxiety with film stars. “Sports stars are risky- the brands they endorse could fall prey to the vagaries of their performance and form. It does hurt if the sports star is not performing well which is not the case with film stars even if their few films flop their glamour and charm help them keep going with the brand they endorse. Secondly they have a kind of following which spreads across regions and gender. The other side of story is that sports has some categories that its more closely associated with than others- automobiles, telecom and apparel brand for instance, lend themselves to sports stars rather then movie stars(Mahanta and Pande, 2006) The celebrity phenomenon is result of a paradigm shift that is taking place in world of advertising. Conceptually advertisements are becoming more and more about entertainment and attention then message and that’s where having a celebrity helps. In a cluttered market where more than 100,000 brands bombard the media, celebrities are a good way to differentiate. There are people who don’t agree with the above mentioned thinking they feel marketers and advertiser compensate for lack of creativity by using celebrities and are following herd instinct. There should be a serious thinking that whether the brand values are reflected by the endorser.

The celebrity management industry in India is still in its infancy stage. The celebrity management part currently is focused on striking the right deal. But the
right deal might not be the best deal there have been cases where big names have failed like Madhuri Dixit’s range of product didn’t work for Emami and Boris Becker endorsement of Siyaram also failed. Both Amitabh and Abhishek failed to save Maruti Versa brand. Negative publicity associated with the endorser is always a fear as it might have rub off on brand. In most of the cases marketers are looking for quick awareness gains, agencies want to satisfy their client’s craving for glamour and celebrities want to make quick bucks while their agents could still sell them in all no long term them just a quick-fix-solution (Mahanta and Pande, 2006). Bollywood stars have endorsed everything from cars to toiler soaps. But certain categories that have never used celebrity endorser world wide are now getting into endorsement contracts example personal computers. As reported in an article of business standard supplement The Strategist in February 2006 Hewlett Packard India hired bollywood superstar Shahrukh Khan to endorse the Compaq Presario range of notebook and desktop computers. Chinese personal computer giant which acquired IBM’s personal computer (PC) business in 2004 was not far behind lenovo has roped in star siblings Saif Ali Khan and Soha Ali Khan as its brand ambassadors. Acer has also hired Hrithik Roshan as its brand ambassador. Companies feel that celebrities will help to increase the PC penetration among the masses and encourage PC usage. The argument for using celebrity endorser is that a PC is not only a computer now it is also a durable and an entertainment center. However experts from academia are skeptical about the strategy as per Giana M Eckhardt of Australian Graduate School of management in same article “ambassador represents a kind of fashion of achievement. To connect customers this way to a PC does not make sense. I don’t see how the glamorous qualities of a film star will translate into PC sales. Hence I am surprised. However I do know that India as a market uses endorsers much more than any other market in every product category. If the computer is being positioned as an entertainment device rather than as a communication tool than I can see a connection”(The Strategist, 2006) 

The big question is whether celebrity endorsement works or not and if yes which category of endorser seem to fare well in the endorsement race. Several surveys have been commissioned in the past to find answers to these question but most of
these studies are in nascent stage as celebrity endorsement still remains an under researched area in India. Most of the studies have concentrated on finding out popularity of the endorsers rather than exploring celebrity and brand connect.

As reported in business Standard and time of India Hansa Research which conducts Indian Readership Survey has carried out the celebrity survey for the first time. The study listed 200 celebrities from diverse fields like films, sports, television and music. The people were indexed on basis of popularity and likeability of a celebrity. According to Ashok Das of Hansa Research in 2004 around 18 percent of all advertisements had celebrity endorsements. Absence of a qualified and standardized study to measure the popularity of celebrities so far has lead organizations to sign celebrities on intuition and gut feel resulting in inappropriate brand fit. The survey titled ‘Celebrity Track ’ ranked Amitabh Bachchan as the number one celebrity followed by Sachin Tendulkar and Shahrukh Khan amongst female celebrity endorsers Kajol and Aishwarya Rai got higher scores.(Singh, 2005)\textsuperscript{17} The study aims to add further dimensions in next rounds and suggest appropriate endorser for the product and the amount that should be paid to them (Prasad, 2005).\textsuperscript{18}

As reported in brand equity in an Oct. 2005 national survey of India’s 15 year olds commissioned by brand equity, respondents voted the sixty plus Amitabh Bachchan as their favorite celebrity endorser, ahead of younger national celebrities like Shah Rukh Khan and Sachin Tendulkar. Earlier in 2003, 23 million MTV viewers voted Bachchan as the maha style icon of the year. The appeal of Brand Amitabh Bachchan is in short every brand manager’s deepest envy –and the thing to aspire for. For, not every brand that’s sold itself successfully to one generation of consumers has the satisfaction of being the next generation’s preferred choice as well. Such is the pull of brand bachchan that brand marketers keep signing him on as endorser in the hope that his presence will have a rub off on their respective brands. In opinion of Meena Kaushik of Quantum market research, Bachchan embodies heritage, dominance, refinement, discernment, charisma, mystique, power and achievement, values that have emerge as a result of his journey from an anti-establishment hero to ruler, patriarch and man of stature. For an average
Indian he represents resilience of spirit and the power of dreams (Shatrujeet, 2007).

One more survey showed that Buyers don’t have much impact of stars on their minds. Corporate are spending crores of rupees to get their products touted by sportsmen or movie stars, but most of today’s consumers are apparently not influenced by such celebrity endorsements. 53% of the respondents to a survey conducted by international market research firm Synovate as reported in Times of India said celebrity endorsements did not influence their buying decision. The survey revealed that the younger generation was more likely to be influenced by celebrities endorsing brands and that such campaigns were more successful in the western part of the country, which Synovate attribute to rub-off effect of bollywood. Confirming nation’s twin passion, cricket and bollywood, the study found that film stars and cricketers enjoy the most adulation in India. Sachin and Amitabh have an iconic status for the Indian masses. The study also found that brand association has a direct correlation with the immediacy of an advertising campaign: the more recent an advertisement the higher the brand recall. Certain celebrities were very strongly associated with the products or brands they endorsed. For instance 75% of those polled associated kapil dev with Kinetic motorcycles, 90% Linked Sachin with Pepsi and 78% thought about Amir Khan and coke in the same breadth. However in case of a celebrity endorsing more than one product, the association was stronger in the case of more recent endorsements. For instance 52% associated Amitabh with Nerolac an ongoing endorsement by the star at the time of survey, while only 42% associated him with pepsi an older campaign. Same was the case with other celebrities like Aishwarya, Shahrukh Khan (Roy, 2004). There are reasons beyond association with brands for using celebrities as quoted by R S Agarwal, Co-promoter Emami in business India. Star endorsements work in at least three ways: one with the star presence our advertising get noticed instantly. Two by paying big fees to them we save a lot of money on media. Third most importantly the company’s image goes up (USPage, 2004).
When evaluating the effectiveness of a brand ambassador we need to look at parameters not only related to advertising but also to the brand iconography. Brand iconography could be a factor that can make Amitabh a better brand ambassador. As said by Mr. C.R. Shridhar in his article in USPage, we have seen Amitabh playing many roles young, old, funny and angry thus his images are vivid and he can trigger images of any emotional or tangible benefit quickly and effectively but that is no the case with Sachin Tendulkar. When we close eye and think of Sachin Tendulkar the picture that comes to mind is tiny fellow standing in front of three stumps ready to whip a bowler twice his size. This iconographic signal is so strong that it is difficult to picture him riding a bike, or eating a biscuit. Hence in case of Amitabh his iconography integrates with required signals for establishing brand iconography because he can trigger several visual signals. Brand iconography suggests that Tendulkar cannot be effective with as many brands as Amitabh could be (Shridhar, 2004).22

An article in brand equity quoted “Indian marketers use bollywood as starting point, reference point and selling point”. The thoughtful observation has lot of fact and reality in it. The glaring truth about Indian advertising and marketing thought today is its obsession with every thing bollywood. Both Bollywood and Cricket have become highly commoditized in Indian Marketing. Marian Salzman chief Marketing officer, JWT World wide refers to hip hop which birthed in the urban African American community in 1992 as advertising extreme culture, and became part of almost every other advertisement today it is overused, over extended and even overcooked. In India, bollywood risks suffering the same fate at the hands of advertisers and their agencies. Is it always the brand association or just love of being close to celebrities influences top managers decision of using celebrities as part of their brand building plans is a matter of debate. Even advertising agency executives might push the idea to get an opportunity of working with likes of Amitabh and Shah Rukh. Whatever the reasons may be but one thing is sure that every body is a fan when it comes to celebrities be it corporate top brass or advertising executives. People rationalize their liking as “bollywood and cricket are the only common cultural references we have”. Some experts believe “shift towards celebrity culture as a society leads marketers to resort to bollywood”.
Consumers today want to be perpetually entertained and advertising is also seeking to entertain rather than interlude. Its not only advertising world but entire media is obsessed towards bollywood and cricket as we find more and more programs based on bollywood theme even on news channels because this is where the glamour is and helps attract audience. There are people in same fraternity who appose excessive use of bollywood and cricket for example in an article in Brand Equity, Piyush Panday executive chairman O & M thinks “a lot of bollywood referencing stem form laziness and the lack of a powerful insight led idea”. Film maker Prasoon Panday says that lot of film makers are thinking exactly as film maker used to think in eighties and early nineties “get a big star and big director and you will have a hit”. Even if bollywood movies cannot stand on box office without a good idea or content how advertisements will work by merely using a big celebrity is a point to ponder. Off late bollywood film makers have also started focusing on content and that is what should be the road ahead for advertisers (Shatrujeet Vyas, 2006).23

A new trend in world of celebrity endorsement is to rope in entire family in an advertisement. Examples include ex-cricketer Mansur Ali Khan’s family. The advertisement brings together along with him wife Sharmila, son Saif and daughter Soha. Another good example is of Ajay Devgan and Kajol their endorsement of Whirlpool is backed by extensive consumer research to confirm their fit with the brand both have attributes in their relationship as well as in their individual personality. For Instance, Whirlpool has values such as equality, love and romance and both Ajay and Kajol have these in abundance. Moreover they are from same field and have done well in their career (Mahanta and Pande, 2006)24.

Another way to use endorsement process effectively is to use company executives as spokesperson or brand ambassadors. Infosys technologies always feature amongst the most valuable Indian brands including the recent study by Brand Finance as reported in an article of daily business line. The article shows that Infosys with its awesome brand value is a great study of a company that hardly advertises, yet communicates with unerring effectiveness. Apart from the finesse it exhibits in its below the line offerings, it quietly realized that a brand ambassador
like Narayan Murthy is invaluable. Infact he is a brand himself and a unique brand because he only endorses Infosys and not a plethora of products and services like other celebrity brands (Narayan, 2006)\textsuperscript{25}.

Dangers of use of celebrity backfiring are not less. There have been cases where reputation of celebrity has lost relevance either due to retirement or due to negative publicity. Like other parts of the world Indian advertising has also witnessed this phenomenon. Cases like that of Salman Khan and other getting involved in hunting and Azaharrudin and Ajay Jadeja being dropped out of team due to charges of Match fixing have always troubled marketers. But there are other who disagree with the fact that negative publicity affects the image of endorser or the brand they believe No publicity is bad unless your name is spelt incorrectly. Bill Clinton, David Backham, Sanjay Dutt, Salman Khan, and more recently Tiger Patoudi who have had bad press and yet are loved and respected will certainly endorse this. There are people who believe that media simply targets rich and famous. There are many crimes that common men commit but they are ignored, just because stars are written about, their images can be tarnished easily to avoid strife they constantly need to live up to their images as icons says Sanjay Suri Actor in an article in Times of India (Shah, 2006)\textsuperscript{26}.

2.6 Celebrity endorsements and brand building

There is no denying of the fact that celebrity endorsement in brand building works, and works effectively said Sanjay Purohit In an article in business Standard. He further ads that the sole use of celebrity cannot be the panacea for all branding issues, especially incase of multiple brand endorsements by the same celebrity. The basic tenets of effective marketing communications viz sound strategy, a compelling story to be told and most importantly need to make the consumer act on the communication needs to be followed while using celebrities (Purohit, 2004)\textsuperscript{27}.

Amitabh Bachchan, Aishwarya Rai, Sachin Tendulkar and Rahul Dravid these names represent not only film industry or sports but account for a sizable
proportion of revenues that advertising industry generate. These names have become symbols of Brand endorsements not only in India but world over. Many celebrities are not only endorsing Indian brands but brands from world over. There are brands that have been built around the name and persona of these celebrities' example perfumes and toiletries and cosmetics. Brands like Lux have used more than 300 stars so far and signs up about 40 stars per year. Some companies have even launched entire range of products in their name Example Madhuri Dixit range of cosmetics by Emami. Endorsers earn Crores of Rupees through their endorsement deals. For some the money they receive through endorsement is much more then their profession gives them. There are people in advertising world who support celebrity endorsement and there are people who call use of celebrity as an excuse for not having enough creative ideas. Love it or hate it celebrities have been around endorsing products and brands and will be here for a long time. It may be costly but using celebrities as part of advertising has become sort of a necessary evil. As celebrities provide quick customer connect, help draw attention and lead to better brand recall. Excessive use of celebrities by companies has lead to a clutter of celebrity endorsement and has resulted in multiple product endorsement by most of the celebrities adversely affecting their credibility and credibility of their claims.

In spite of being used as an easy method to get quick saliency for the brand, celebrity endorsements are not without risk. Widely publicized negative incidents about O.J. Simpson and Michael Jackson and in India like that of Salman Khan and Mohammad Azaharrrudin suggest that association with a celebrity sometimes may become a problem for the brand.

2.7 **Economic worth of celebrity endorsements**

Industry estimates of endorsement for one company per year in article of business standard put Sachin, Amitabh, Shah Rukh on a figure of 2-3 crores. Rahul Dravid, Saif Ali Khan at 75 Lakh to 1 Crore. In Brief Sania ranks amongst the top earners amongst the celebrities (Gupta, 2006)\(^\text{28}\). During 2005, Amitabh Bachchan endorsed more than 39 brands, for 23 advertisers, across 23 categories featuring in
85 different TV commercials for a total advertisement spend of Rs. 111 crore. Not only big celebrities from film and sports but small TV stars are endorsing a number of brands. Shweta Tiwari who is famous as prema of TV soap Kasauti Zindagi Ki endorses 11 brands. As mentioned by one of the top Pepsico executive its all about creating a match between the brand and the celebrity personality then only it creates salience. Although all don’t agree as quoted by an executive from Emami even if the celebrity is linked to more than three dozen brands, they can still pull consumers. Emami hired Amitabh Bacchan and results are emphatic fast relief grew 70% in one year and Navratna brand of hair oil which used to be a Rs 40 Crore brand four ear ago is a Rs 150 Crore Brand Today. Thanks to endorsements by ShahRukh Khan Kareena Kapoor and Chiranjeevi apart from Amitabh Bachchan. Amitabh Bachchan has helped Reid and Taylor to percolate to class 2 & 3 cities as consumers in these cities identifies much more with him (Mahanta and Pande, 2006). A major cost associated with celebrity endorsement is the amount that is paid to the endorser for signing contract. Companies choose cricketers and film stars not only because they want to benefit from the association, but also to respond to competitors who may be using other endorsers. John Wanamaker’s quote “half of the money I spend on advertising is wasted; the trouble is I don’t know which half” marketers today are realizing the breadth of this thought today while trying to sell product’s to various segments especially youth. Advertisers know that even when they spend huge amounts on television commercials and other media, advertisements often fail to impact the target audience. An interesting thing to note is that neither brand endorsers nor their companies are loyal to each other. Most of the companies prefer using multiple endorsers in order to avoid risks related to negative information or publicity associated with the endorser. Similarly endorser also keeps on shifting from one brand to other in same product categories. An example could be Aamir Khan and Aishwarya Rai who used to endorser Pepsi shifted to Coke later on. But the big question is that do companies really benefit from these endorsements. Although the other side of this is that many companies and brand managers claim that they save almost 30-40% on media by using well known celebrities as these celebrities get instant attention and help in creating quick public awareness. Advertisers can
afford to have less frequency and repetition when they use well-known celebrity endorsers. Sergio Zyman (2000) in his classic work "the end of advertising as we know it" talks of the end result. "Start by looking at your before and after sales figures. Put your results together, and as you are doing that, be absolutely sure that you are measuring the actual impact on the brand, not just celebrity recall or the fact that the celebrity is associated with your brand. Recall and association are useless, unless they translate into sales".

Celebrities do get their viewers attention; but whether they work to sell the product depends on proper celebrity casting. Selecting the right star to "pitch" a particular product means finding a person to whom buyer can relate to, or the person your buyer wants to believe.

2.8 Problems with celebrity endorsements

Lack of fresh idea or lethargy on part of advertising executives should not be the reason for using celebrity endorsements. Some time clients (advertisers) also become reason for unjustified use of celebrity advertising as some clients love to rub shoulder with stars and glitterati to satisfy their ego and pride. Some experts like Andrian Mendonza, Executive VP and creative director of Rediffusion Dy & R as quoted in an article in strategic Marketing does not recommend celebrity endorsements because he thinks that to be really successful, a brand needs to have a strong identity of its own. It should ideally not piggyback on the identity of a celebrity and hope to achieve success (Khatri, 2004). Most of the times celebrities end up selling themselves more rather than the brand. However if celebrity can be used imaginatively she can be an asset. For example, to launch a brand that does not have a clear USP celebrity can help getting instant recognition. Similarly fun products that do not demand credibility or need to deliver value for money may benefit from celebrity endorsements (Pandey, 2004). Following are the problems of celebrity endorsements -

- Cricket craze is short lived some time it's on a high especially during world cup or similar big series some times not. Thus using cricketers give
advertisers small time duration to air the advertisements as generally
advertisements using cricketers are aired during matches.

- Many companies' air advertisement using the same celebrity thus it is
difficult to remember as to which product they are actually endorsing.
- People remember more the celebrity rather than the product.
- Multiple endorsements by celebrities affect the credibility because of
apparent economic motivation underlying the celebrity's efforts. (Shiffman,
2004)\textsuperscript{33}

- Limited purchasing power of consumers some time makes it difficult for
the consumer to buy any or all the products endorsed by their favorite
celebrity.
- Career ups and down or performance in one's own filed may affect
popularity and thus the endorsement also.
- The impact of endorsement especially in high involvement situations might
be low.

2.8.1 Celebrity and vampire effect

There is every possibility of celebrities overshadowing the product that is
consumers may remember the celebrity but not the brand they are endorsing.
Some celebrities have so empowering personality that product or brand recall is
lost in the process. Thus, focus of advertisers should be to select such celebrities
that attract attention and enhance the sales message.

2.8.2 Celebrity and Over Exposure

Multiple product endorsements by celebrities reduce credibility of their claims and
message as consumer know that they are being paid to endorse the Brand.
Advertisers can protect themselves by signing exclusive contracts with the
celebrities but such contracts could be astronomically expensive. However most
celebrities agree not to endorse similar product anyway and even if they do that
their own credibility is affected. Celebrities also have brand value and with such
multiple product endorsement their brand value is also diluted. This is also referred as celebrity fatigue.

### 2.8.3 Multiple celebrities

One more trend which is very popular amongst companies is that they prefer using multiple endorsers to endorse same brand the reason could be attributed to past experience where negative information about celebrity affected the brand image. Secondly today companies want to target various market segments at the same time thus different endorsers can communicate different aspects or feature of the product to different group of audience. People also enjoy this and are not bored of seeing the same celebrity time and again. Companies like Coke, Pepsi and automobile companies have very well used this strategy. A combination of sports star and film star is also preferred to get best of both the world.

### 2.8.4 Impact of negative celebrity Information

Not only overexposure but celebrities also face problem of declining performance, more over many time it happens that these celebrity lend in trouble when they are caught up in some controversy or scandal. But some celebrities even bounce back there have been cases where celebrities after loosing their fame because of non performance in their profession have again bounced back and have emerged as better and more effective endorsers. In Indian context Sourav ganguly and Salman Khan could be taken as such examples.

Several studies indicate that brand recall is significantly higher when the image of the celebrity is congruent with the brand image. It thus makes sense to select a spokesperson whose characteristics are congruent with the brand image. Although this point seems fairly obvious, many advertisers do not carefully evaluate their choice of celebrities to ensure that the celebrity’s image matches the desired brand image. Instead they make the selection on some other basis, especially current popularity.
2.9 Celebrity endorsements advantages and limitations

Celebrity endorsements come with a lot of risk and rewards. The brand might get a slip as just as quickly as it moved up the consumer’s mind. The downslide could be caused by a number of factors such as image conflict, image dilution, image overshadow and image failure. The advantages of using celebrity endorser could be instant brand awareness, credibility, and emotional bonding with the customers. (Cheddi Shrinivas, 2004)³⁴

Image Conflict happens when celebrities are seen endorsing products that they normally would not use for example one reason for failure Amitabh’s endorsement of Maruti Suzuki’s Versa could be that consumers did not accept the idea of a super star driving an ordinary car. Thus congruency between the product image and celebrity image is must for success of an endorsement. Amitabh’s endorsement for Reid and Taylor is acceptable because his image matches with a premium brand.

Image dilution happens when celebrities start endorsing multiple brands. Due to multiple endorsements it is difficult to relate celebrity with a product category or brand and thus leading to dilution of brand image. Similarly celebrities normally have a single image but whether that single image can be transferred to many products at the same time is debatable.

Image overshadow happens when people remember the celebrity but not the brand. This problem is more pertinent in case of very popular celebrities like Amitabh Bachchan and Aishwarya Rai.

Image failure happens when image of celebrity is tarnished due to some act of celebrity knowingly or unknowingly. Examples include jail sentence given to two big celebrities Sanjay Dutt and Salman Khan for different cases.

Celebrity endorsement definitely has certain advantages celebrities help to draw attention and hold attention of viewers towards the advertisement thus help in
quick brand awareness and recall. Message delivered by a celebrity is considered more credible as compared to any model or characters in the advertisement. Third most important benefit is emotional connect with the audience because of which celebrities are suitable for giving social messages also. Examples include use of Amitabh Bachchan for Polio eradication. Celebrities command high degree of attention from the public. Due to high attention grabbing power a large segment of audience can instantly recognize and identify with a famous person. The attraction and goodwill of such a personality can be transferred to the product that is endorsed. Other benefits include celebrities help break clutter but celebrities need to be used creatively to make this reason a valid one Sky party with Hritik campaign of close-up could be taken as an example where the endorsement was linked with sales promotion and event marketing thus attracting people towards the advertisement and the product. Celebrities’ help in commodity branding also, at the same time some time a lesser-known brand take prominence in mind of consumer due to celebrity associated with it. Since the rewards outweigh the risks it does make sense to associate the product to a celebrity when the celebrity is at peak performance of his/her career.

2.10 Ethical and Legal issues associated with celebrity endorsements

There is dire need for regulation and accountability as far as celebrity endorsements related to financial products is concerned. It was due to scam of the home trade kind that drew attention to the dangers of celebrity endorsement in financial sector. People were shocked that icons like Sachin Tendulkar, Hritik Roshan and Shah Rukh khan would endorse a product or company without knowing anything about it all for a few crore rupees. The celebrity trio helped a group of businessman to build home trade into one of the most recognized and mysterious brands in the country in shortest possible time. A complementary nod from a famous face can launch the most obscure of product. Home trade example proves it.( Dalal, 2002) This case raises a serious alarm and if we look closely other financial products like insurance and mutual funds also bear same risk.
Securities and Exchange Board Of India (SEBI) already has guidelines on advertising for Initial Public Offerings (IPOs). Formulated in 1992-93 (Rule 9.1.7 of Guidelines on advertisement) states no models, celebrities, fictional characters, landmarks, caricatures or the likes shall be displayed on or form part of the offer document or issue advertisements. It also banned use of slogans or brand names except the normal commercial name and brands already in use. It also has specific rules about how an advertisement should appear. Many insurance companies however are using celebrities for financial products including insurance which is a matter of worry. If we look at it from marketer’s side we can say that celebrities not only enjoy likability by the audience but considerable amount of trust and credibility. It is obvious that regulatory interventions are required to control celebrity endorsements especially in financial and health related products. The other area of concern is advertisement of food products that could be detrimental to health. Several issues are being raised at various forums regarding endorsement of carbonated beverages and fatty fast food by celebrities at national and international level.
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