CHAPTER- 1

Introduction of Marketing, Consumer Behavior, Advertising And Celebrity Endorsements
1.1 Introduction

This chapter aims to clarify the theoretical linkages and providing definitions and classification of basic concepts used in the study. The chapter starts with explanation of basic terms that relate to the study like Marketing, Consumer behavior and Integrated Marketing Communication concepts and ends with providing basic definitions and classifications of the subject under study that is celebrity endorsements.

1.1.1 Introduction to Marketing

The American Marketing Association defined marketing as "the process of planning and executing the conception, pricing, promotion and distribution of ideas, goods and services to create exchange that satisfy individuals and organizational goals". Marketing is also defined from system perspective as "The total system of business activities designed to plan, price, promote and distribute, want satisfying products to target markets in order to achieve organizational objectives." (Etzel, 2004). Promotion is often considered as the most important component of marketing as it helps in developing product positioning and brand image. A product without clearly identifiable positioning and brand image can not be sustainable in the long run.

1.1.2 Introduction to Integrated Marketing Communication, Promotional mix and Advertising

As per American Association of Advertising Agencies cited by Belch, 2004 Integrated Marketing Communication is defined as "A concept of Marketing communication planning that recognizes the added value of a comprehensive plan that evaluates the strategic roles of variety of communication disciplines-for example, general advertising, direct response, sales promotion and public relations- and combines these disciplines to provide clarity, consistency and maximum communication impact". The third P of Marketing Mix, ie. Promotion relates with Integrated Marketing Communication. Promotion is intended to make
product more attractive to prospective buyers. The most useful product will be failure if no one knows it exists. Thus first task of promotion is to inform and second most important task of promotion is persuasion. The basic tools used to accomplish an organization's communication objective are called as Promotional Mix or IMC tools. These components of IMC or Promotional mix are Advertising, Direct Marketing, Interactive/Internet Marketing, Sales Promotion, Publicity/Public relations and Personal selling. Advertising being the most important and dominating component of promotion mix is discussed in detail. Advertising defined from an academician's perspective is nonpersonal communication paid for by a clearly identified sponsor promoting ideas, organizations or products. (Etzel, 2004)²

1.1.3 Consumer Behavior

All marketing activities aim at providing value to the customer. To provide value, proper understanding of not only their needs and wants but also perception and preference will help marketers in designing appropriate product, price, promotion and place. Consumer behavior is defined as the “behavior that consumers display in searching for, purchasing, using, evaluating and disposing of products and services that they expect will satisfy their needs” (Shiffman and Kanuk, 2004)³. Consumer research is the aspect of consumer behavior that deals with process and tools to study consumers. The evolution of consumer behavior and consumer research could be attributed to development of marketing concept that rests on sense and respond philosophy rather than make and sell. The marketing concept proposes that marketers should make what they can sell. In other words, marketer should understand the needs and wants of the consumers first and then design the product and promotion to provide satisfaction to the consumer in a manner, which is superior to that of competitor. Consumer behavior and marketing concept have lead marketer to think about segmentation of consumers and accordingly positioning the products. Consumer behavior also deals with consumer decision-making process and all external and internal influences that should be considered to make product final choice of consumers in buying decision process.
1.2 The linkage of Marketing, consumer behavior and advertising

The linkages between Marketing, consumer behavior and advertising are quite interesting. As discussed earlier the marketing concept rests on proper understanding of consumer's need and then designing the product to suit the needs. Understanding consumer's needs and expectations involve understanding of their buying decision process. Advertising is used to communicate the intended meaning and positioning of the product designed to suit customer expectations and needs. John Dewey (1910) conceptualized decision-process behavior as problem solving - thoughtful, reasoned action focused on need satisfaction. As Ajzen and Fishbein (1980) put it, "Human beings are usually quite rational and make systematic use of the information available to them. People consider the implications of their actions before they decide to engage or not to engage in a given behavior."

Traditional consumer buying decision process follows the sequence of need recognition, search for information, alternative evaluation, purchase and then outcomes. There are two types of decision making processes defined. They include Extended Problem Solving and Limited Problem Solving (Engel, Warshaw, Kinnear, 1991).

In extended problem solving, thinking leads to feeling, which leads to action. The very nature of the decision often necessitates collection of information that is processed and stored. Various product attributes are weighed and evaluated. While in case of limited problem solving, consumers will simplify the process by sharply reducing the number and variety of information sources and alternatives considered. The two problem solving processes have implication for marketers and advertisers as they suggest that brand images have a relatively insignificant impact on the consumer's purchase decision if the product/service involves extend problem solving. On the contrary, the brand images of product/service that involves limited problem solving will have a more significant impact on the
consumer's purchase decision. This fact has important implication as celebrities help to shape brand image and brand personality when used as an endorser. Celebrities transfer meaning to the product, which is then transferred to the consumer thorough consumption process. Suitability of endorser might depend on the type of problem solving situation involved, type of product involved, celebrities profile and target audiences' profile.

1.3 Basics of advertising

The word advertising is said to be derived from the latin “ad-verter,” which means “to turn the mind towards” or “to draw attention to”. More dimensions have been added gradually as crores of rupees pored in advertising. Advertisements are meant to communicate to the consumer how the product or service can satisfy their needs in a meaningful way. Advertisements serve purpose of not only developing brand awareness but also helps in building brands. As a component of promotion mix Advertising is said to be the most influential and effective mode of communication. Sales promotions are generally considered as part of short-term tactics while personal selling is very expensive. In a country like India where Direct Marketing and Internet marketing have not yet penetrated, the mass market advertising is the most suitable and inexpensive option. Considering cost per person Advertising comes out to be a cheaper option as compared to any other form of mass communication. Advertising is believed to have long lasting impact on consumers mind and helps build brands. An effective advertisement serves multiple purposes. Advertisements educate the market and consumers about uses and benefits of a product and removing apprehension, if any. Advertising helps marketer in creating a brand image and positioning. An effective advertisement ensures trials and thus helps imrprove sales. A new product with some advantages over the existing one requires advertising to ensure maximum exposure of the product to the public in order to induce trials (Chandan et. al, 1990)⁶.

Effective advertising is easier said then done. The major obstacle faced by advertisers is to get the message across through a varied and segmented audience. Some times even when the message is effective and is able to draw attention but it
fails to achieve the larger objective of brand comprehension and develop preference for the brand. Media is cluttered and makes it difficult for advertiser to make their advertisement likable and recalled. Technology has provided the customer with tools to control the advertisement exposure. Audience can change channel at switch of a button. This problem of channel surfing is known as zipping and zapping in advertising parlance. It is a great challenge for advertiser to come over this channel hopping behavior of audience and compel people to watch advertisements. Making advertisement interesting could be one strategy to avoid zapping of advertisements. Today advertisements need to provide entertainment rather than interlude. Life style changes have created a psychological noise amongst the audience. A preoccupied mind cannot pay attention to advertisement even if people are viewing it. Due to fast paced and over stressed life style people often do not comprehend the advertisement even while watching it (Tiwari, 2003).

1.4 Advertising appeals

Different appeals are possible as the basis of advertising messages. Broadly these appeals can be divided into three categories, informational/rational, emotional and moral. Informational/rational appeals focus on consumer’s actual and utilitarian needs while emotional appeals focus on social or psychological needs for purchasing a product or service. Moral appeal tries to evoke consumer’s values and belief and persuade consumers to buy a product on moral grounds. Endorsement could be a good way to promote a product with psychological or social needs. Especially celebrity endorsements could lead to perceived differentiation in terms of personality, image and social status of the brand.

Appeals can also be correlated with central and peripheral route to persuasion and advertisements. Advertisers using celebrities generally follow peripheral route to persuasion and attitude change using emotional or psychological cues.
1.5 Concept of endorsement

The dictionary meaning of endorsement is backing, support or approval. Consumers are always seeking some support so as to reduce dissonance and risk perception towards a product or brand. A small gesture of approval provides support or assurance to the buyer. Basic preposition of branding is to differentiate from others and endorsements serve the purpose of not only differentiating the brand but also create brand imagery and quality perception. Endorsements have been in use since advertising started, the most common one being endorsement by a common consumer for a product or brand wherein he says that he has used the brand and found it to be satisfactory. This style of advertisement is known as testimonials. The basic assumption in using this style epitomized by character of Lalitaji in Surf advertisements of 80’s is that there are people who identify with people like themselves. The expert opinion is also a widely used approach along with celebrity endorsements. In product categories where differentiation is minimum reference group influence through the use of endorsement could yield better results.

1.6 Types of endorsement

Endorsements can be used in various ways. Generally following types of endorsers are used by advertisers—Expert, Celebrities, Lay endorser and Quasi celebrities, and Satisfied consumers.

Expert Endorsements

Experts are individuals considered or perceived as having specialized knowledge of a particular area. For example Michael Shoemaker can be considered as an expert endorser for cars similarly when doctors or medical associations endorse or approve certain health related products like toothpaste or health drinks it can be considered as an expert endorsement. Rating agencies giving ratings to brands for e.g. companies like J.D. Powers or CRISIL and allow companies to advertise can also be called as expert endorsement.
Celebrity endorsements

Celebrities are the individuals who are well known amongst the target audience because of their exceptional performance in their own field and are popular amongst people. Most of the celebrities come from entertainment or sports world but recently politicians, reporters, religious leaders and consumer advocates have also started endorsing brands. Thus we can say that anyone who is popular and visible in public domain and gets wide publicity can be considered as a celebrity. Although from endorsement point of view celebrities from entertainment and sports world have been most successful.

Lay Endorsements and Quasi celebrities

Lay endorsers are initially unknown or fictitious characters used as spokesperson in an advertisement. Appropriate use might convert them into celebrities. Examples include Pillsbury Doughboy and 7 up's Fido-dido characters. A semi celebrity is also one type of endorsement suitable for those companies that cannot afford to hire very well known and popular celebrities. Semi-celebrities generally is a term referred to small screen stars who are also very popular amongst the audience for the character they play in these TV soaps. Examples could include Smriti Johri Irani of Kyunki Saas Bhi Kabhi Bahu thi Fame or Shekahr Suman and Navjot Singh Sidhu. Artificial or cartoon character can also be considered in this category. We have examples of Pillsbury Doughboy and 7ups Fido Dido. Through these brand characters, companies can easily target children and youth that too at a relatively lesser price. These characters are in company’s control and company need not to worry about their performance or behavior in public domain. Certain characters like Superman and Spiderman are very popular amongst kids (Shridhar A S, 2006).8

Consumer

A typical satisfied consumer is often the best choice when it can be anticipated that there will be strong audience identification with the role involved. Using real
world situations like showing consumers talking about the product unaware of the camera can increase credibility.\textsuperscript{9}

The various types of endorsements are mutually exclusive especially expert and celebrity endorsers. Same individual might appear as expert in one advertisement and as celebrity in other advertisement (Tellis, 2004).\textsuperscript{10}

1.7 \textit{Celebrity endorsements}

A celebrity endorsement as defined earlier in types of endorsements is one of the type of endorsement. This type of endorsement uses a celebrity to endorse a brand or a claim and thus is known as celebrity endorsement. Celebrity endorsement is said to be the most widely used form of endorsement. Celebrities could be from various fields like sports, film, politics, art and craft, television, etc. Celebrities most successful in endorsing brands generally come from film and sports field. Television actors are also becoming popular as celebrity endorsers these days. Some times social activists are also seen as endorser in advertisements especially for social cause marketing.

1.8 \textit{Celebrity endorsement and Consumer Behavior}

The basic reason for using any type of endorsement whether it is celebrity expert or lay consumers is the reference group influence. Much of the marketing communication that takes place today can be attributed to this concept. A reference group is said to be a group of people with whom an individual identifies to the extent that she/he assumes many of the values, beliefs, attitudes, or behavior of group members even when the group is not present. Marketers use reference group influences in developing marketing communications program. (Kazmi and Batra, 2004)\textsuperscript{11}.

Advertisers are relying on reference group influence when they use celebrity spokesperson. Professional athletes, musicians, models and actors can influence people who would like to be associated with them in some way (Etzel, 2006).\textsuperscript{12}
greatest advantage of this concept is that it provides a symbolic membership to a select club fantasized about by the consumer (Kumar, 2005). It is believed that there need to be some linkage between target segment, personality or charisma of celebrity and brand personality. In terms of target segment, consumer characteristics are most important to understand. Consumer characteristics in terms of demographic and psychographic dimensions play an important role in shaping perception and preferences. Similarly celebrities act as source of the message and communicate the desired or intended meaning of a brand to the target audience. The source means the person directly or indirectly involved in communicating the advertising message. The sender or source of a communication could be a person or organization that has information to share with another person or group of people. The individual could be a salesperson of the company or hired spokesperson such as a celebrity who appears in a company’s advertisements. Receiver’s perception of the source (spokesperson or celebrity) influences how the communication is received thus marketers must be careful to select a communicator whom the receiver believes to be knowledgeable, trustworthy, and identifiable (Belch 2003). The last link between the consumer-celebrity and brand parity is brand personality. Human personality traditionally has been a subject of study for psychologists but researchers in marketing are also taking keen interest in brand personality. The big five dimensions of human personality are said to be sincerity, excitement, competence, sophistication and ruggedness. Brand personality is visualization of a brand in human terms. Researchers are focusing on how the personality of a brand enables a consumer to express her/his own self, an ideal self, or specific dimension of self-thought he uses of a brand (Kazmi and Batra, 2004).

Some products get personified by the celebrity endorsing it and some celebrities become famous for endorsement of particular products. For example, Shahrukh khan can also be called Shahrukh Mayur Khan when he personifies Mayur Suitings. Lomani’s perfume named Amitabh Bachchan and Ravina are some other examples of brands personified by the celebrity. Customers tend to associate the brand with the brand personality. Hence marketers need to use a personality who
can be fully identified with the product. There are endorsers like Hritik Roshan promoting coke, yet we find difficult to identify the product with him because many endorsers are endorsing that product failing to develop connect with the brand (Mathur, 2006).^6

1.9 **Types of celebrity endorsers under study**

The purpose of the study is not to draw comparisons among the celebrities selected for the study but to give relevant answers to advertisers, marketers regarding the issues that surround use of celebrities for advertising. The celebrities selected for the study represent a rare mix of male and female, young and old, sports and film, experienced and novice. The objective is to find relevant differences amongst the consumers and judge their effectiveness amongst consumers of different demographic profiles.

1.10 **Celebrities and consumers selected for the study**

As discussed above celebrities selected for the study represent the major types of celebrity endorsers widely used in advertisements in recent times. The sample selected for the study also represents the consumer who is aware of these celebrities and their endorsement. Following is the brief description about the celebrities selected for the study.

**Amitabh Bachchan**- An immensely successful actor of more than three and half decade in the Hindi film industry. As a politician, businessman, anchor and endorser, Amitabh has shown many facets of his personality. It is noteworthy that during first two and half decade of his acting career in more than 100 films he never endorsed any product, that too in time where he reigned bollywood for over two decade and was called one man film industry. His seemingly risky foray into anchoring Kaun Banega Crorepati (KBC) added several characteristics to his already phenomenal popularity and catapulted him into the league of the most expensive endorser. Marketers found their single point attention getter in Amitabh Bachchan who could not only command attention but also lend credibility to their...
brand. One of his strengths is his unblemished personality. As a person with social conscience he has also lent his star appeal to public and social causes such as the polio eradication program and preventing cruelty to animals. The campaign for Pulse Polio, UNICEF and People for Ethical Treatment of Animals (PETA) featured him prominently to have a big impact on the audience. Getting Amitabh to endorse a product is very expensive owing to his larger than life image his endorsement cost between RS 5 Crore to Rs 12 crore as per some industry estimates reported in various articles. Over exposure is however the major issue, as Amitabh endorses too many products. However marketers claim to be happy having him endorse their brands as stated by many CEO’s and marketing heads of companies including Emami and Luxar writing instruments (Parker Pen) in several interviews and articles. He has been a patronizing, avuncular person, an action hero, an energizing personality, a jovial character, an advisor, a spokesperson and a passionate endorser (Suresh, 2005).17

**Aishwarya Rai**—came into prominence after becoming Miss World in 1994. As a supermodel, and bollywood style icon she has always been on priority list of marketers and advertisers. She has a successful career as a model, actor and endorser. Her association with brands like Lux and Nakshatra has been extremely successful. Her association with L’Oreal has placed her in list of international celebrity endorsers and she acknowledges this association as an emotional one. In an interview to Times of India on being asked whether she actually uses L’Oreal products, she said that she was exposed to this brand right in the beginning of her modeling career and has been using their leading brands. She said she is very satisfied with the experience. The brand’s tagline influences every woman globally and it recognizes the esteem in her. Aishwarya believes in defining beauty, self esteem, sophistication, charm and modernity in one word ‘WOMAN’(Ahmedabad Times, 2007).18

**Sania Mirza**—The most talked about, most sensational and stylish achiever of recent times. At age of 18 she is aiming for a slot amongst world’s top 50 in world of Tennis. Sania’s ambitions don’t seem to be a distant dream. Her killer instinct and aggression on the lawn has made her a go-getter (Times of India, 2005).19 She
is true representation of speed of mind and body. After her phenomenal performance at the US Open, where Sania Mirza walked away with accolades on and off court, this 18-year-old girl from Hyderabad has now become the most wanted person in world of advertising. Sania ranks second now in the endorsement hierarchy at par with Rahul Dravid as rated in various articles. As quoted by Anirban Bas Blah VP of firm that manages Sania’s endorsements’ “She has managed to change the perception that cricket is the only sport worth following”. Sania has become a brand not just because she is amazingly talented but also because she is extremely good looking (Subedar, 2005). Sania reflects the power of youth, passion and the attitude of the current generation of girls. In a country, where cricket occupies the mind space of majority of the population, Sania’s success has created a renewed interest for tennis in India. Her list of endorsements includes Tata Tea, Malabar Gold, Lotto sports Italia, Hindustan Petroleum and Hyundai Getz.

**Rahul Dravid** – is the most popular and sought after celebrity from the world of cricket. Not only his batting kept bowlers frustrated but his face also seems to be doing the trick for a lot of companies. He sits and smiles enigmatically as he tests out a microphone or strums a guitar to announce orange’s new services. But that is not all in year 2004 the Indian youth rated him MTV youth icon of the year. He won the title in the sports category. The MTV youth icon is an attempt to identify role models and understands the value it cherishes and is inspired by (USPage, 2004). Rahul Dravid has served as Indian Captain and has many accolades as a captain. His focused approach towards his career makes him a role model for many youngsters. His personality reflects leadership, dedication, consistency and hard work. These multifaceted aspects of his personality make him suitable for a number of product categories and brands. He is said to be the most technically correct player of recent times and this fact makes him suitable for technology related products also. Rahul Dravid is seen endorsing brands like Bank of Baroda, Max New York life insurance, Gillette and many more.
References


2 Ibid, pp 485-487.


7 Tiwari, Sanjay , *The Un(common) Sense of Advertising*, New Delhi, Response books, 2003


17 K Suresh, *The evergreen Celebrity*, Catalyst, March 17, 2005

18 Ahmedabad Times July 17, 2007

19 *Advantage Mirza* Times life, Times of India Sunday, July 10, 2005

20 Subedar Swati, *Glam Sham*, Time of India, September 30, 2005

21 *A pat for the wall*, USPage August, 2004, p 9