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CHAPTER 1:
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Introduction

This is 21st century and is the era of globalization, privatization and liberalization. In today’s competitive world, every organization strives to get the most out of the market where they are operating. This quest of gaining more and more in this competitive world gave birth to a concept known as ‘Marketing’. Marketing function is the study of market forces and factors and the development of a company’s position to optimize its benefit from them. It is all about getting the right product or service to the customer at the right price, in the right place, at the right time. Both business history and current practice remind us that without proper marketing, companies cannot get close to customers and satisfy their needs. Marketing being an art and a science is undergoing varied interesting changes, and emerged out as a separate faculty which promises to be just as dynamic in the years ahead. Marketing has emerged as the most important activity in today’s world and plays a vital role in national as well as in international business environment; and almost every firm is now using innovative marketing techniques to effectively compete globally. Today marketing is omnipresent and has starched its roots to every sector whether public sector, the industrial sector or the private sector and it is its omnipresence which made it an important part of everyone’s life. It is not only concerned with the selling of goods or services only but it also includes keeping the customers in future. The marketing process is central to the business performance of companies, large and small, because it addresses the most important aspects of the competitive marketplace. Today, as competitive
pressures increase, marketing skills have never been more highly valued by organizations in both the public and private sectors.

**Definitions of Marketing**

According to the **American Marketing Association (AMA)** Board of Directors, Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.

**Philip Kotler** defines marketing as “the science and art of exploring, creating, and delivering value to satisfy the needs of a target market at a profit. Marketing identifies unfulfilled needs and desires. It defines measures and quantifies the size of the identified market and the profit potential. It pinpoints which segments the company is capable of serving best and it designs and promotes the appropriate products and services.”

**Peter F. Drucker** defines “Marketing is not only much broader than selling; it is not a specialized activity at all. It encompasses the entire business. It is the whole business seen from the point of view of the final result, that is, from the customer’s point of view. Concern and responsibility for marketing must therefore permeate all areas of the enterprise.”

**The Chartered Institute of Marketing** defines Marketing is “The management process responsible for identifying, anticipating and satisfying customer requirements profitably.”

Marketing includes all those activities that direct the flow of goods and services from producers to consumers. In advanced industrial economies,
marketing considerations play a major role in determining corporate policy. Once primarily concerned with increasing sales through advertising and other promotional techniques, corporate marketing departments now focus on credit policies, product development, customer support, distribution, and corporate communications. Marketers may look for outlets through which to sell the company's products, including retail stores, direct-mail marketing, and wholesaling. They may make psychological and demographic studies of a potential market, experiment with various marketing strategies, and conduct informal interviews with target audiences. Marketing is used both to increase sales of an existing product and to introduce new products, as stated in the Merriam-Webster dictionary.

Wikipedia states, “Marketing is the process by which companies create customer interest in products or services. It generates the strategy that underlies sales techniques, business communication, and business development. It is an integrated process through which companies build strong customer relationships and create value for their customers and for themselves.”

According to Jay Conrad Levinson, “Marketing is any contact that your business has with anyone who isn’t a part of your business. Marketing is also the truth made fascinating. Marketing is the art of getting people to change their minds. Marketing is an opportunity for you to earn profits with your business, a chance to cooperate with other businesses in your community or your industry and a process of building lasting relationships.”
According to Canadian Marketing Association Canadienne Du Marketing, Marketing is a set of business practices designed to plan for and present an organization’s products or services in ways that build effective customer relationships.

History of Marketing Thought

The history of marketing thought deals with the evolution of theories in the field of marketing. Since from the beginning, Marketing experts admitted that the marketing discipline evolved out of at the turn of the twentieth century, however some argues that scholars in the ancient and medieval ages had already studied marketing ideas.

Robert A Bartels in The History of Marketing Thought categorized the development of marketing theory in chronological order from the beginning of the 20th century thus:

1900s : Discovery of basic concepts and their exploration
1910s : Conceptualization, classification and definition of terms
1920s : Integration on the basis of principles
1930s : Development of specialization and variation in theory
1940s : Reappraisal in the light of new demands and a more scientific approach
1950s : Reconceptualization in the light of managerialism, social development and quantitative approaches
1960s : Differentiation on bases such as managerialism, holism, environmentalism, systems, and internationalism
1970s : Socialization; the adaptation of marketing to social change
Functions of Marketing

As discussed earlier marketing is not only concerned with the transfer of goods and services from the producer to the ultimate consumer but it also performs many other important functions which are beneficial to both; the seller and the consumer. Some of the important functions of marketing are mentioned below;

In the above figure 1.1, 11 major functions are marketing are mentioned which are;

- Researching
- Buying
• Product development and management
• Production
• Promotion
• Standardization and grading
• Pricing
• Distribution
• Risk bearing
• Financing
• After sales-service

**Research Function**- The research function of marketing is the one of the most important function of marketing that enables the organizations to achieve adequate information relating to a particular target market. Every organization must carry out adequate research to identify different attributes of a market such as; the size, behavior, culture, believe, genders etc., their needs and want, which helps the organizations to develop effective product or services which can efficiently satisfy the needs and wants of the target market.

**Buying function**- The buying function of marketing is performed in order to acquire quality materials for production. For designating a good product concept, an organization should also ensure they are buying the essential materials for the product or service. This function is carried out by the purchase and supply department of the respective organizations.
**Product development and management**- Product development is the most important function of marketing since without proper product or service all the activities are just in vain. Product development passes through some basic stages carried out by the marketers to develop a targeted market specified product and organizations can also manage their product/service by evaluating its performance and changing them to fit the current market trend.

**Production function**: During the production function, a product or service is produced according to the requirement of the target audience as identified while performing the research function.

**Promotion function**- Promotion of the goods and services is the core function of marketing since the finish product must not remain in the place of production, hence, organizations must design effective communication strategies to informing the availability of your product to your target market. In this function of marketing organizations design effective strategies to communicate their product availability and features to the target market, such strategies as in; advertisement, personal selling, public relation etc.

**Standardization and Grading**- The function of standardization is to establish specified characteristics that the product must conform to, such standard as in having a specify test, ingredient etc. That makes the product brand so unique so it can be easily identified in the market by the prospective customers. Grading comes after when the product is sorted and classified into deferent sizes or quantities for different market segment while maintaining your product standard.
**Pricing function**- The function of pricing is concerned with assigning the monetary value to the product/service which is to be offered in the market. The price must be assigned by designing effective pricing systems based on the product stage and performance in the product life cycle. Price is the actual value consumers perceive of a product/service, so a marketer should ensure that the value of their product/service is not too high or too low to that of your competitors.

**Distribution function**- The distribution function ensures that the product is easily and effectively moved from the point of production to the ultimate consumer, the kind of transportation system to employ e.g. Road, rail, water or air, and ensures that the product can be easily accessed by customers. A marketer should also design the kind of middlemen to engage in the channel of distribution, their incentives and motivations etc.

**Risk bearing function**- The process of moving a finished product from the point of production to the point of consumptions is characterized with lots of risks, such risks as in product damaging, pilferage and defaults etc. So an organization must provide effective packaging system to protect their product/service like; good warehouse for the storage, effective transportation system etc.

**Financing function**- The finance function of marketing deals with the part of marketing to providing incomes to the business. It defines how an organization can raise capital to start operation and remain in business. It refers to different modes of payment for the goods and services transferred to the ultimate costumers.
After sales-service - Being characterized as the most important function of marketing in the modern world, after sales services are very important in today’s competitive world. For a more complex and technical product, a marketer should make provisions to assist the customers after they have purchased the product. In terms of machines or heavy equipment product which requires installation or maintenance, organizations must render such services like installing the machine or maintaining it for stipulated periods of time for free or by a little service charge.

Marketing – Mix

Marketing of an organization’s product or service is all about how it positions their respective product/service to satisfy the target market needs. It also requires attention over different elements which are crucial for an effective marketing. Marketing Mix is a combination of all the crucial elements involved in the marketing an organization’s product or service.

"Marketing Mix" is used to describe the different kinds of choices which the organizations have to make in the whole process of launching their respective product or service in the market. The 4Ps is the best possible way of defining the marketing mix. Marketing mix is the combination of mainly 4 important elements which defines the marketing of a particular organization’s products/services.

The 4Ps of marketing mix refers to the four very vital aspects of marketing, which are:

1. **Product** - The right product to satisfy the needs of your target customer.
2. **Price** - The right product offered at the right price.

3. **Place** - The right product at the right price available in the right place to be bought by customers.

4. **Promotion** - Informing potential customers of the availability of the product, its price and its place.

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**Product**

“Product” refers to the goods/services which are offered by the seller to the customers. Apart from the physical product itself, there are elements associated with the product which customers can be attracted towards, for example the way a product packed or delivered. Other important attributes of a product includes its quality, features, options, services, warranties, and brand name etc. Thus, a product is not merely refers the product only but it is a bundle of goods and services associated with the product. An organization’s product’s physical appearance, utility, and support make up what the customer is actually buying. Successful marketers pay close attention towards the requirements their product must fulfill to get and retain the customers.

An organization’s product should meet the needs of a particular target market. For example, a luxury product should create a luxurious image of the
customers who have everything,” while the economical products must be positioned for price-conscious consumers. The other important aspects of a product also include the product range, design, warranties etc. Consumer research is an important element in building an effective marketing mix. An Organization’s knowledge and research of their respective target market and their competitors allows them to offer products/services which attracts more and more customers.

Price

“Price” refers to how much an organization charge for their offered product or service. Determining the price product/service is very tricky and hard to get. Some organizations charge a very low price to operate in the market and effectively combating the competition but, this may be a signal of low quality and not part of the image you want to portray. An organization’s pricing approach should reflect the appropriate positioning of their product in the target market and which will result in a price that covers their cost per item and also including a profit margin. But the pricing must be just and appropriate as charging a higher price of the product/service will have negative effect; pricing too low will create a bad image of the product/service offered. An Organization can follow a number of alternative pricing strategies however some price decisions may involve complex methods, while others are intuitive judgments. The selection of a pricing strategy should be based on the product, its customer demand, the competitive environment available, and the other products which will be offered by the organization. Pricing of products involves answering to many questions such as;

- What is the value of the product or service to its customer?
- Are there any established price points for products/services in this area?
• Is the customer price sensitive? If YES then will a small decrease in price gains extra market share? Or will a small increase be indiscernible?

• Discounts should be given or not? If YES, then what discounts should be offered to trade customers, or to other specific segments of the target market?

• How will an organization’s price compare with its competitors?

Place

“Place” refers to the distribution channels which will be used to change the ownership of the offered product/service to its customers. Organizations which create or assemble a product have two options:

- Selling directly to its target consumers or
- Selling to a vendor or middleman.

Physical distribution of products involves answering to many questions such as:

• Where will prospective customers look for an organization’s product or service?

• If they look in a store, then in of what kind? A specialist shop or in a supermarket, or both? Or online? Or direct, via a brochure?

• How an organization can have the access to the right distribution channels?

• Do an organization need to use a sales force or not? Or it had to attend any trade fairs? Or make online subscriptions? Or send samples?
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- What do an organization’s competitors do, and how can an organization learn from that and/or differentiate?

Promotion

This is the most important aspect or can say the most important element of marketing mix. Promotion mainly refers to the advertising and selling part of marketing of an organization’s products/services. It is how an organization let the people know about what they are offering in the market. The primary objective of promotion is to make people understand what an organization’s product is, how they can use it, and why they must purchase it. It makes an attempt to convince the prospective customers who are looking for a product to satisfy their needs and requirements. To be more effective and efficient, the promotional activities must have a clear cut message to the target people in the market and which should be reached through a proper channel. Target market is the people who are using or are influenced to purchase the promoted product/service in the future. The focus must be on the market research efforts to identify the target audience. The marketing message must be very effective and clear containing the overall marketing image, and which have the capability to get the attention of the targeted audiences and to get their responses whether it is to purchase the product or not. The channel which an organization selects for their marketing message must involve the use of key marketing channels. Promotion may involve advertising, public relations, personal selling, and sales promotions as these all different promotional activities.
Promotion of products/services involves answering to many questions such as;

- Where and when an organization can get conveyed their marketing messages to the target market?
- Will an organization reach their audience by advertising in the press, or on TV, or on radio, or on billboards? Or by using direct mail marketing? or through Personal Relations? Or over the Internet?
- When is the best time to promote?
- How do an organization’s competitors do their promotional activities? And how does that influence an organization’s choice of promotional activity?

**Promotion Mix**

The promotion element of marketing mix is concerned with activities that are undertaken to communicate with customers and distribution channels to enhance the sales of the firm. The promotional communication aims at informing and persuading the customer to buy the product and informing them about the utilities and features of the products. A specific combination of promotional methods used for one product or a family of products. Elements of a promotion mix may include print or broadcast advertising, direct marketing, personal selling, point of sale displays, and/or merchandising. Promotion Mix refers to all the decisions related to promotion of sales of products and services through selecting advertising media, promotional techniques, using publicity measures and public relations etc. to accomplish the target.
There are various tools and elements available for promotion. These are adopted by firms to carry on its promotional activities. The marketer generally chooses a combination of these promotional tools.

So the main elements of Promotion Mix are;

1. Advertising
2. Personal Selling
3. Sales Promotion
4. Public Relation
5. Direct Marketing

1. **Advertising**

   According to American Marketing Association, Advertising is “any paid form of non-personal presentation of ideas, goods and services by an identified sponsor”.
According to William J. Stanton, "Advertising consists of all the activities involved in presenting to an audience a non-personal, sponsor-identified, paid-for message about a product or organization."

Gardner defines, “Advertising is the means of mass selling that has grown up parallel with and has been made necessary to mass production”.

According to Webstar, “Advertising is to give public notice or to announce publicity”.

Wheeler states that, "Advertising is any form of paid non-personal presentation of ideas, goods or services for the purpose of inducting people to buy."

According to Richard Buskirk, "Advertising is a paid form of non-personal presentation of ideas, goods or services by an identified sponsor."

Courtland L. Bovée defines Advertising as “the non personal communication of information usually paid for and usually persuasive in nature about products, services or ideas by identified sponsors through the various media”.

So, from all the above definitions it cab be concluded that, Advertising is any paid form of non-personal promotion of an organization’s product/service through an identified sponsor and also making the target audience aware of the organization’s image.
Characteristics of Advertising

- **Communication:** Advertising is a means of communication to reach to the target audiences in the market and it is also a non-personal communication because it is addressed to masses.

- **Information:** The main purpose of advertising is to inform the target audience about the advertised product/service. However, the information given through advertising must be complete and true.

- **Persuasion:** The sponsor expects to create a favorable image of the products/services advertised through advertising which will result in persuading the target audience to purchase that product/service.

- **Indirect Salesmanship:** Any advertising activity must attempt to persuade the prospective customers into real customers. So in this way advertising is an indirect salesmanship also but most importantly it is a persuasion technique.

- **Profit Maximization:** Just like any promotional activity, advertising also aims at maximizing the profit of the organization by promoting them in the market.

- **Non-Personal Presentation:** Salesmanship is personal selling whereas advertising is non-personal in character. Advertising is not meant for any particular individual but it aims at the masses.

- **Identified Sponsor:** Any advertising activity is sponsored may be by an individual or a firm who bears the cost of advertisement. The advertised product/service are associated with the respective sponsor and so their advertising their advertising creates an identity of the sponsor also.
• **Art, Science and Profession:** Advertising is an art as it represents a field which involves creativity. Advertising is also a science because it is a body of organized knowledge. Advertising is now days also treated as a profession with the presence of professional bodies and code of conduct for members.

• **Element of Marking Mix:** As discussed earlier, advertising is the most important element of promotion mix which ultimately is a part of marketing mix. Advertising has emerged as the best available promotional tools to the organizations.

• **Creativity:** A good advertising campaign involves lot of creativity and imagination. Effective and efficient advertising messages involve a lot of creativity of the advertising firm.

2. **Sales Promotion**

Sales promotion refers to the short term application of financial or non-financial incentives or other promotional activities which helps in to stimulate the customer to buy a product/service. Sales promotion includes all the marketing activities other than personal selling, advertising, and public relations which result in increase of sales.

According to John F. Luick and William L. Zeigler “Sales promotion includes those activities, which enhance and support mass selling and personal selling and which help compete and /or coordinate the entire promotional mix and make the marketing mix more effective.”

American Marketing Association (AMA, 1960) defines “In a specific sense, sales promotion includes those sales activities that supplement both
personal selling and advertising and coordinate them and help to make them effective, such as displays, shows and expositions, demonstrations and other non-recurrent selling efforts not in the ordinary routine.”

John A. Quelch states that “Sales Promotions are short-term incentives to encourage purchase or sale or a product or service.”

According to Philip Kotler, “Sales promotions are temporary incentives targeted at the trade (called trade promotions), or at end consumers (consumer promotions). While sales promotions generally aim to change purchase behaviour, they vary in whether they attempt to persuade trade customers or end consumers to buy a product for the first time, to buy more, to buy earlier, or to buy more often.”

According to Kazmi and Batra “Sales promotion include incentive offers and interest creating activities which are generally short-term marketing events other than advertising, personal selling, publicity and direct marketing. The purpose of sales promotion is to stimulate, motivate and influence the purchase and other desired behavioral responses of the firm’s customers.”

According to Philip Kotler, Sales Promotion has three distinctive characteristics:

- **Communication** – To gain attention and to provide information to persuade the consumer to the product or service.

- **Incentive** – It provides some concession, inducement, or contribution that delivers value to the consumers.
• **Invitation** – Sales promotion include distinct invitation to engage in transaction.

Sales promotion techniques are very useful as it provides:

(a) Short and immediate effect on sale.
(b) Stock clearance is possible with sales promotion.
(c) Sales promotion techniques induce customers as well as distribution channels.
(d) Sales promotion techniques help to win over the competitor.

**Customer Sales Promotion Techniques:**

The major Customer sales promotion techniques being commonly used by the organizations are:

- **Rebates** - Rebates means selling a product/service at a special price which is less than the original price but for a very limited period of time. This technique is mainly used to sale the excessive stock of an organization, for example; Arrow declares sales of their merchandise at a low price for one month.

- **Discounts** - It refers to reduction of certain percentage from the marked price of the product/service to persuade the customers to buy more and more. This technique is also used to clear off the seasonal stock of organizations e.g., season’s ending sale etc.

- **Refunds** – This sales promotional technique refers to refunding a part of price of the product paid by its customer but only after presenting the proof of purchase for example, Rs 5 off on presentation of empty pack of cigarette.
• **Premiums or Gifts** - It is the most commonly used method of customer sales promotion in which a free gift is given to the customers on the purchase of the product/service. However, the free gift or premium is related to promoted product but it is not necessary for example, free toothbrush with every pack of toothpaste, etc.

• **Samples** - It refers to distribution of free samples of product to the prospective customers. These samples are generally free of cost and are distributed when the seller wants to introduce a new product in the market and customer must try the product. Generally when a new product is launched for example, when Hindustan Level launched Surf Excel it distributed the samples as it wanted the customers to try it.

**Advantages of Sales Promotion**

1. **Attention Value** - The incentives offered in sales promotion attract attention of the people and thus helps in increasing its sales.

2. **Useful in New Product Launch** - The sales promotion techniques are very helpful in introducing the new product as it induces the target audiences to try new products as they are available at low price or sometimes as free sample.

3. **Integrated Promotional Effort** - Sales promotion activities fosters advertising and personal selling efforts of the respective organization. Sales promotional techniques help in adding effectiveness to the advertisement efforts also.

4. **Supplement to other Promotion Tools** - Sales promotion technique makes other promotion techniques more effective through its benefits.
Organizations find it very easy to sell products on which incentives are available.

3. **Personal Selling**

   Personal selling means selling the goods/services personally. Personal Selling involves face to face interaction between the seller and the buyer for the purpose of sales. The personal selling is not merely getting the prospect customers to desire what seller wants but the concept of personal selling is also based on customer satisfaction.

**Features of Personal Selling**

1. **Personal Interaction** – As conveyed from its meaning, personal selling is the face to face interaction of the buyers and sellers and thus this closeness allows both the seller and the buyer to observe each other’s action closely.

2. **Two Way Communication** - In personal selling the sellers give information about the product to the prospective consumer and at the same time the buyer get a chance to clear their doubts.

3. **Effective Response** - When the seller personally explains the utilities and the features of the product to the prospective customers then customers do pay some attention and listen to the information.

4. **Relationship** - When the seller and buyer meet personally it improves the relationship between the customer and seller. Salespersons normally make friendly relations with the customers for getting good results.
5. **Better Convincing** - Personal selling is the most effective form of promotion because in this the buyer and the seller meet personally and which helps in clarification of all the doubts in the minds of the prospective customers.

Personal selling is very important from customer’s point of view, as customers can get required information about the product from customers. Customers are benefited by personal selling in the following ways:

![Figure 1.3: Benefits of Personal Selling](image-url)
Importance to Society:

Personal selling brings following positive effects for society

4. Public Relations

Apart from four major elements of marketing mix, another important tool of promotion mix is maintaining the public relations. Public relations refers to the maintaining the relations with public. By maintaining better public relations, it helps the organizations in creating goodwill in the market. Public relations include inspection and evaluation of the attitudes of the public and then acting accordingly. However, public does not merely means only the customers, but it also includes the shareholders, suppliers, intermediaries etc. The chances of an organization’s success depend upon the support of these parties. For example, organization needs active support of

Figure 1.4 : Benefits of Personal Selling to the society
intermediaries to survive in the market; similarly it must maintain healthy
relations with its shareholders. The customers’ group is considered as the
most important part of public as the success of any business depends upon the
support and demand of these customers only.

Public relations are significant in the following ways:

![Figure 1.5: Significance of Public Relations](image)

**Ways/Methods and Tools of Public Relations:**

The organizations can use the any of the following tools to improve
their relations with public:
1. **News** – It is the best and the most reliable means of public relations. Sometimes organizations get involved in such kind of activities or make such policies so that they get some positive coverage in news. For example, a company’s name may be covered in news for reservation of jobs for women or for introducing new technology etc.

2. **Speeches** – Public speeches given by the officials of the organizations sometimes helps in influencing various members of public specially banks, shareholders and even general public also. Public relations department of an organization makes arrangements for occasional speeches which are delivered by the leaders and top officials of an organization.

3. **Events** – Special events such as organizing press conferences, multimedia presentation, matches, stage shows etc also is a very effective way of creating public relations which helps in creating a brand image of the organization in the market.

4. **Written Materials** - Sometimes written materials such as Balance Sheet, Annual Reports, Special documents, Brochures etc. are circulated in the open market among the public with an aim of improving and maintaining the public image of the organization.

5. **Public Service Activities**- Big organizations often associate themselves with various social service projects such as women welfare programmes, charity shows, up-keeping of parks, planting trees on roadside, training schools, running schools, colleges, hospitals etc. These activities mainly aim at serving the public but ultimately these are done to make a favorable image of the organization in the public.
Advertising

Advertising is the most important element of promotion mix. Advertising is the marketing activity which deals with the promotion of an organization’s products/services through non-personal presentation through a particular media. Advertising is a purposeful communication of product/services/ideas designed with a view to achieve desired goals. An Advertisement is a form of persuasive communication with the public and this communication is generally only one-sided i.e. from the advertiser to the target audience. Advertising is a marketing tool used for communicating business information to the present and prospective customers. Advertising focuses on providing information about the advertising firm, its product/service qualities, place of availability of its products/services, etc. Advertisement is very important for both the sellers and the buyers. In the present age of cut-throat competition, organizations cannot think of increasing sale of their respective products/services without adopting advertising them. Advertisement supplements personal selling to a great extent. Today, advertising has acquired a great importance in the present world where there is tough competition in the market and dynamics in technology, fashion, taste and preference in the customers.

Advertising is the integral part of every day’s life and without advertising modern society cannot survive. It is important as it bridges the gap among people by communicating varied culture through promoting message, it contributes to bring about all round development of the economy by increasing demand in the market, it provides opportunities to people to improve their income level also.
According to American Marketing Association, Advertising is “any paid form of non-personal presentation of ideas, goods and services by an identified sponsor”.

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An analysis of different elements of above advertising defections follows;

**Any Form** – Advertising can be in any form i.e. it can be any kind of presentation. Whether it is a symbol, sign, an illustration, an ad message in
any kind of media whether it is in a magazine or newspaper, a commercial on the radio or on television, a circular dispatched via mail or a pamphlet distributed or an email or message received over the internet.

**Non-Personal Presentation** – Non personal presentation means that advertising does not include any form of personal selling, which is done on a person to person basis. If it is any form of person to person promotion, then it is not advertising.

**Goods/Services/Ideas** – It is very well know that advertising is aimed at communicating information and promoting any goods/services or ideas. Without the presence of these elements advertising cannot be called advertising.

**Characteristics of Advertising**

- **Communication:** Advertising is a means of communication to reach to target the masses. It is a non-personal communication because it is addressed to masses.

- **Information:** Advertising informs the target audience about the benefits, features they would get if they purchase a particular product. However, the information given through advertising must be complete and true.

- **Persuasion:** The advertiser expects to create a favorable attitude through advertising which will lead to expected results. Any advertising process attempts at persuading the prospects into real customers. So in this way advertising is an indirect salesmanship also but most important it’s a persuasion technique.
- **Profit Maximization:** Advertising does not attempt at maximizing profits by increasing the cost but it aims at promoting the sales of advertised products/services which makes advertising a higher sales approach rather than the higher-cost approach.

- **Non-Personal Presentation:** Salesmanship is personal selling whereas advertising is non-personal in character. Advertising is not meant for any particular individual but it aims at the masses.

- **Identified Sponsor:** A sponsor may be an individual or a firm who bears the advertisement cost. The product gets good market because of its identity with the reputed corporate body.

- **Consumer Choice:** Advertising facilitates consumer to choose as it enables them to purchase goods as per their budget and requirement. Right choice makes consumer happy and satisfied.

- **Art, Science and Profession:** Advertising is an art as it represents a field of creativity. Advertising is also a science because it is a body of organized knowledge. Advertising is now treated as a profession with its professional bodies and code of conduct for members.

- **Element of Marking Mix:** Advertising is the most important element of promotion mix. Advertising has emerged as the best available promotional tools to the organizations.

- **Creativity:** A good advertising campaign involves lot of creativity and imagination. When the message of the advertiser matches the expectations of consumers, such creativity makes way for successful campaign.
Objectives of Advertising

The functions of advertising are not only to sell something - a product, a service or an idea rather the main objectives of advertising is effective communication and relations between the seller and the consumers. The following are the main objectives of advertising:

1. **Preparing Launch pad for New Product**

New product needs to be introduced as the potential consumers have never used such product earlier and it is advertisement which prepares a launch pad for the new product entering in the market.

2. **Creation of Demand**

One of the main objectives of the advertisement is to create a favorable climate for the organization for maintaining and improving sales of the products/services offered by them. Customers must be informed and reminded about the product/service and the brand as it may induce new customers to purchase the product/service.

3. **Combating the Competition Effectively**

Another important objective of the advertisement is to effectively combat the competition available in the market. Under the present cut-throat competitive environment, advertisement helps organizations to build up brand image and brand loyalty and once the customers develop brand loyalty, it becomes difficult for the competitor to change it.
4. **Creation of Goodwill**

This is also one of the major objectives of advertising which is somewhat related the previous objective. Often large scale advertising is undertaken with the view to create the goodwill of the advertising organization and once it has been created, the priority shifts to maintaining the goodwill in the market, which in turn helps the organization as it results in increase in the market share of the organization’s product/service and helps the sellers to convert prospective customers in to real customers easily.

5. **Informing the Customers**

This is also one of the main objectives of the advertisement. Whenever changes are made in the prices, channels of distribution or in the product by way of any improvement in quality, size, weight, brand, packing, etc., they must be conveyed to the public and which is facilitated by advertising. Advertising enables the organizations to inform their customers both prospective and real customers.

6. **To Combat the Competition**

Being a promotional tool, advertising not only creates brand image in the market but it also helps the respective organization to challenge the competitors in the market. When competitors are flourishing in the market, advertising helps the other organizations to improve their position in the market through creation of goodwill, increasing sales, informing the customers etc.
7. **Restricting New Entrants**

Just like advertising helps the organizations to enter their new products in the market, from the advertiser's point of view, advertising helps to keep new entrants away from the market. The advertisement in some way also helps to build up a certain monopoly in the market which restricts new entrants to enter in the market.

In brief, advertising aims at facilitating the organizations through informing and educating the consumer and facilitating the salesmen and creating a image in the market.

**Benefits of Advertising**

Advertising broadens the knowledge of the consumers relating to the advertised product/service. With the help of advertising, consumers identifies the products/services according to their respective requirement without much waste of time. Advertising helps in speeding up of the sales of products/services, increases the efficiency of labor in distribution, and sometimes also diminishes the costs of selling of the advertised products/services. It is a big fact that without advertising it would have been hard for the organizations and as well as to the customers also as it helps in synchronizing both the parties. These words are more than enough to prove the capabilities of advertising in today’s modern marketing world.

The benefits of advertising are not only restricted to the customers or to the organizations only but it also benefits the society also. Benefits of advertising to the different segments are stated as follows:
Benefits to Manufacturers

- Advertising helps in increasing the sales volume of the manufacturers by creating an attraction towards the advertised products/services.
- Advertising helps in simplifying the introduction of new products/services in the market.
- Advertising also creates an image and goodwill not only of the products but also of the producer or advertiser.
- With the help of advertising, maintenance of retail price is also possible by where price appeal is the promotional strategy.
- Advertising helps in establishing a direct contact between manufacturers and consumers.
- Advertising helps the manufacturers by creating a highly responsive market and thus increases the turnover of the manufacturers which results in lower the level of inventory.
- Advertising also inspires the executives and the workers which results in improvement of their efficiency.
- Advertising helps in combating the competition in the market and thus helps in survival in the market.

Benefits to Wholesalers and Retailers

- Advertising helps in by easing the sales of the advertised products/services since consumers are aware of the product and its quality.
- Advertising helps in increasing the rate of the turn-over of the stock because demand is already created by advertisement.
Advertising acts as a supplement to the selling activities and thus increases the sales of advertised products/services.

The reputation created by advertising is shared by both the wholesalers and the retailers.

Advertising ensures more economical selling because selling overheads are reduced due to prior promotion of the products/services in the market.

Advertising also enables retailers and wholesalers to have the information about the products/services in which they are dealing in.

**Benefits to Customers**

- Advertising helps in eliminating the middlemen by establishing direct contacts between the producers and the consumers which eases the traction between both the parties.
- Advertising helps the customers to know where and when the products are available and thus reduces the time of shopping.
- Advertising gives an opportunity to the customers to compare the advertised products with different substitute products available in the market.
- Advertising is highly informative for the customers as it sometimes also gives an idea about the different uses of the products.

**Benefits to Salesmen**

As it has been discussed earlier that selling is incomplete without the presence of advertising. Advertising serves as the supplement to the selling function. Selling is benefited from the advertising in following ways:
Introduction

- Advertising eases the introduction of the product/service because the producers have already promoted the goods/survives by informing the customers about the product and its utility.

- Advertising acts as a supplement for the selling function and thus it prepares necessary ground for a salesman to begin his work effectively and thus it reduces the sales efforts.

- The contact established with the customer by a salesman is made permanent through effective advertising because a customer is assumed of the quality and price of the product.

- The effectiveness of advertising is increased when direct contact with the salesmen is made to the customers.

Benefits to the Society

The late President of U.S.A Roosevelt commented about advertising that, "It brings to the greatest number of people actual knowledge concerning useful things: it is essentially a form of education and the progress of civilization depends on education." So, advertising is an information bridge which pools the gap between the seller and the customer and thus serves the society. Different advantages of advertising to the society are as follows;

- Advertising directly or indirectly leads to generation of more employment opportunities to the public in various faculties.

- Advertising helps in creation of demand in the market. For example, advertising popularizes the automobiles, radios, and various household appliances and thus created its demand in the market.

- Advertising helps in raising the standard of living of the people and thus helps in the development of the society.
• Advertising does provide a glimpse of a country’s way of life and also encourages other countries to develop.

Types of Advertising

Being very wide faculty advertising is of many varied forms. It is on the basis of classification which is very diverse and classifies advertising into different forms. On the basis of classification, advertising can be classified as follows;

1. Geographical Reach

On the basis of geographical reach, advertising can be classified as;

(a) International

(b) National

(c) Local

A. International Advertising - This is 21st century which also known the century of globalization which treats the whole world as the market. Today many multinational organizations operate in multiple countries and so is their marketing campaign. When the advertising is not restricted to a single country or the target audience is not restricted to a particular country but is global, then the advertising is said to be international. Organizations like; McDonalds, Sony, HTC etc. advertise for their products globally as their target market is not restricted to a particular country.

B. National Advertising – National advertising is that type of advertising in which organizations advertise within the geographical boundary of a
particular country. Organizations who believe that their target audience is a particular country then they go for national advertising and they select the advertising media with a countrywide base. Organizations like; Maruti, Hero etc. advertise nationally because they target market is restricted to the geographical boundaries of India.

C. **Local Advertising** – Local advertising as the name suggest is that type of advertising in which the advertising is restricted to a particular area which is micro in nature. Small organizations whose target market is restricted to a particular area choose this type of advertising for their marketing campaign. Local area means a particular city, group of cities or state. A classic example of local advertising is Nirma washing powder which initially sated its operations in Gujarat state then after they focused to the whole country.

2. **Target Group**

Advertising is also classified on the basis of the target groups aimed at. On the basis of target group advertising is classified as;

(a) Consumer Advertising
(b) Industrial Advertising
(c) Trade Advertising
(d) Professional Advertising

A. **Consumer Advertising** – Today most of the portion of advertising is directed to buyers of consumer products which are purchased for either personal use or the household use. In this developing world, the
primary demand is for consumer products and so there is an acute need for its promotion. Consumer advertising aims at advertising consumer products. The fact that the market of consumer products is very wide and very diverse all over the globe creates an importance of advertising as a marketing tool. Consumer advertising aims at promoting the sale of respective consumer products advertise by directly appealing to the consumers. A pictorial representation of consumer advertising is as below;

Exhibit 1.1 : Consumer Advertising

The above picture explains that consumer advertising is that type of advertising which is done to advertise and promote the consumer products being consumed for either personal use or household use by the consumers.
B. **Industrial Advertising** – As the name suggest, industrial advertising refers to that type of advertising which is sponsored by manufacturers/distributers to the buyer of industrial products. An industrial product means machinery, equipment, industrial parts or components etc. A pictorial representation of an industrial advertising is given below;

![Industrial Advertising](image.png)

**Exhibit 1.2: Industrial Advertising**

It can be clearly understood from the above image that industrial advertising is an advertising which is sponsored by manufacturers/distributers to the buyer of industrial products.
C. **Trade Advertising** – Due to the importance of distribution channels, manufacturers have to advertise to grab the attention of the wholesalers, retailers, such kind of advertising is known as trade advertising. The primary objective of trade advertising is to promote the mass sales of the products/services by motivating the intermediaries. A pictorial representation of an trade advertising is given below;

Exhibit 1.3 : Trade Advertising
From this above picture, we can clearly observe that trade advertising is aimed at increasing the business of the manufacturers by grabbing the attention of the wholesalers, retailers etc. so that they can sell more and more.

D. Professional Advertising – There are many products whose buying choice is not depended on its consumers but on the special professionals. For example; pharmaceutical products where the decision is made by the doctor for his patients who are the ultimate consumers.

3. Public Awareness Advertising

Being the major objective of advertising is creating an awareness of the product/service advertise in the general public. The primary motto of advertising is creating public awareness among the target audience. On this basis advertising can be classified as;

(a) Product Advertising
(b) Service Advertising
(c) Institutional Advertising
(d) Public Relations Advertising
(e) Public Service Advertising
(f) Financial Advertising

A. Product Advertising – Nowadays a major portion of advertising is aimed at consumers of products which are purchased for either personal use or the household use. In today’s fast developing world, the primary demand is for different products have increased in the
market and so there is an acute need for their promotion. Product advertising aims at advertising products of different natures whether consumer products or others. The fact that the market of consumer products is very wide and very diverse all over the globe creates an importance of advertising as a marketing tool. Consumer advertising aims at promoting the sale of respective consumer products advertise by directly appealing to the consumers. A pictorial representation of consumer advertising is given below;

Exhibit 1.4 : Product Advertising
B. **Service Advertising** – Service advertising means that type of advertising which aims at promoting the services provided by an organization. Service advertising aims at promoting the sale of services by promoting it and directly appealing the consumers and urging them to go for it. A pictorial representation of service advertising is given below;

![Exhibit 1.5: Service Advertising](image)

C. **Institutional Advertising** – Institutional advertising is that type of advertising in which an organization advertises and promotes itself as a whole rather than a particular product or service. In this type of
advertising, the primary objective is to promotion of the whole organization/institution and creating its image in the target market. A pictorial representation of institutional advertising is given below;

Exhibit 1.6 : Institutional Advertising

D. Public Relations Advertising – As the name suggests, public relations advertising does not aims at promoting any particular product or service but it aims at creating and maintaining the relations of the organizations with the public or can say its customers. In this
advertising, people are invited for a public gathering which is sponsored by the respective organization with an aim to create new relations with the public or maintaining the relations with the existing customers and to create goodwill of the organization in the market. A pictorial representation of public relations advertising is given below:

Exhibit 1.7: Public Relations Advertising

E. Public Service Advertising – Just like the public relations advertising, public service is also a type of advertising where the general public in informed but in this the aim of the advertiser is not to promote their product/service or itself but it aims at serving the people by informing
and educating them of the different social issues and concerns. For example; informing the people about the ill effects of smoking or drinking. A pictorial representation of public service advertising is given below;
F. **Financial Advertising** – Just like the product and service advertising, financial advertising is that type of advertising which aims at promoting the financial services which are being provided by the advertiser. For example; any bank advertising its services or a charted accounted advertising about the financial services being provided by him. A pictorial representation of public service advertising is given below;

![Exhibit 1.9: Financial Advertising](image-url)
Celebrity

Celebrity is a person who have attributes like; attractiveness, extraordinary lifestyle and who enjoys public recognition in the society. Today the word celebrity has become a buzzword and is very popular just like the celebrities are. Celebrity is a person who is famous, can be easily recognized in the society, who enjoys very high fame, an attention grabber. Celebrities are people who enjoy public recognition by a large share of a certain group of people.

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

- Kurzman et.al (2007)

According to Schlecht, a celebrity has several attributes like attractiveness, extraordinary lifestyle is characteristics within a social group wherein they generally differ from the social norm and enjoy a high degree of public awareness.

Friedman & Friedman explains the term “celebrity” refers to an individual who is known to the public, such as actors, sport figures, entertainers and others of the like for his or her achievement in areas other than that of the product class endorsed.

As stated by McCracken a celebrity is “Any individual who enjoys public recognition and who uses this recognition on behalf of a consumer good by appearing with it in an advertisement.”
According to Ericsson & Hakansson, Celebrities could be classified according to their work/performance area: entertainers (pop-stars, musicians, showmen, actors, models, etc.), sports figures, businesspersons or politicians. They could also be classified according to the level of their familiarity (local, national or international / global), and their demographics.

A celebrity has certain characteristics which differentiate them from the common people.

These characteristics are as follows;

- Popular
- Above from the common man in terms of status
- High degree of recognition in a society or culture
- Attention grabber
- High degree of fame in their respective field
- Known for their achievement in their faculty
- Acquires key position in the society
- Trend Maker

**Purpose of Celebrity Advertising**

1. **Establish the product need** - Establishing a need for a product or a product category is the first and the foremost purpose of using celebrities in advertising. This is more important in new-to-world category of products. In Indian context, consider the advertisement for Polio Immunization drive - the TV advertisement featured Amitabh Bachan telling that immunization is a must for every child - while
people suffering from polio are shown in the background along with healthy kids. This advertisement used a celebrity to create the need for polio immunization. Another good example is Toyota’s advertisement of Innova in India. The TV advertisement prominently shows Amir Khan playing different roles while traveling in an Innova. The different roles - establish the need for such a big car in India. (Note that Indian car market is dominated by small cars - which can seat only four adults, Toyota wanted to establish the need for a 8 seater car in India)

2. **Create Brand Awareness** – One of the major purposes of using celebrity in an advertisement is creating a brand awareness of the product/service advertised. With the help of celebrity organizations try to hone their image in the society to crate an image of their product in the society.

3. **Popularize the Product** – Another major purpose of using a celebrity is the popularization the respective product/service in the market. As the first and the foremost attribute of a celebrity is that they are popular and by using them in the advertising of their products organizations try to make their product popular.

4. **Create a purchase intention** – Another purpose of celebrity endorsement is to encourage customers to buy immediately or within a short period after seeing their favorite celebrity promoting the product. Use of celebrity endorsements to create a purchase intention has been very exhaustive.

5. **Positioning of a Brand** – Celebrity endorsement also helps the organizations in positioning o the product/service in the market.
Whenever any product is promoted by way of celebrity endorsements, it also positions the brand and creates an image of that brand in the market.

6. **Create Brand Creditability** – Another purpose of celebrity endorsement is that by the use of certain celebrities, organizations tend to create a creditability of the brand in the public and thus helps in creation of goodwill.

**History of Celebrity Advertising**

The history of celebrity endorsement of products dates back to the 1760s. Josiah Wedgwood, the founder of the Wedgwood brand of pottery and chinaware, also called the father of the modern brand used royal endorsements and other marketing devices to create an aura around the name of his company that gave the brand a value far beyond the attributes of the product itself. Between 1875 and 1900 the trade card, either handed along with the product to the customer or inserted in the packaging itself, popularized celebrity endorsing. The card had a picture of the celebrity and a product description, but had no quote or a direct testimonial by the celebrity. Trade cards featured actresses like Lily Langtry and Sarah Bernhardt and baseball players like CY Young and Ty Cobb. Author Mark Twain featured on three brands, Great Mark Cigars and Mark Twain Cigars and Mark Twain flour.

The cigarette industry signed on entertainment personalities like comedians Fatty Arbuckle and Harry Bulger when Murad Cigarettes used them in its ads in 1905. Later cigarette brand endorsers were Henry Fonda, Jack Benny, Ethel Barrymore and Fred Astaire.
Kodas Cigarettes began including baseball cards in their packs of cigars. These baseball cards were intended to be given away as gifts to loyal customers. People soon started buying the cigarettes for the cards and endorsements caught on fast with marketers. Though no evidence exists to show whether these brands had the express permission of the celebrities, it is known that Honus Wagner, a baseball player stopped a tobacco company that was using his name and baseball card to sell its products. They became so famous later, that one of those cards was sold on eBay in July 2000 for $1.1 million. One of the oldest brands of breakfast cereal in America, Wheaties had sport-stars like Babe Ruth, Joe DiMaggio, Jackie Robinson, Chris Evert, Micheal Johnson, Micheal Jordan and Tiger Woods endorsing it. Wheaties aggressively adopted celebrity endorsing and 46 of the 51 players selected for the 1939 Major League All-Star Baseball Game endorsed Wheaties at the time.

Among the earliest evidences of an endorser's overt approval for using his testimonials was the case of Rev. Henry Ward Beecher, a highly revered preacher. Suffering from a case of hay fever, Rev. Beecher found a good cure in Dr. M M Townsend's Remedy for Hay Fever, Asthma and Catarrh. He sent Dr. Townsend two separate letters praising the medicine and also telling him that he was 'at liberty to make such use of this letter as may secure the relief of all hay fever patients. Dr. Townsend used the full text of both the letters in a package insert of the product box.

Till the early 1930s, the major endorsers were athletes, but by 1945, movie stars like Charlie Chaplin were more sought-after. With the rising
popularity of the color TV in 1965, TV personalities and entertainers also became popular. By 1975, one in eight TV commercials featured a celebrity. Researchers Robert Clark and Ignatius Horstmann of Boston University studied a collection of 1000 endorsement advertisements from 1920-1970 and found from that they were predominantly used by cigarettes, beauty products, beverages and audio equipment.

By 1980, companies started making products around celebrities. Standard Brands Inc, for example, created a new candy bar called "Reggie", after New York Yankees' superstar Reggie Jackson. Faberge Inc., introduced an entire new line of Farrah Fawcett hair-care products. Athlete endorsements picked up again in 1984 when Nike discovered a young and extremely talented basketball player, Michael Jordan. Nike relied heavily on Jordan’s 'image' to make itself a global mega-brand. In 1989, out of 59 celebrities employed by Coke, 48 were athletes. Almost 75% of all sports-related products like clothes and shoes used athletes to endorse their brands. Athletes like Jordan, Bo Jackson, Chris Evert and Bill Cosby dominated the late 1980s. The growth in the number of sports endorsers was attributed to changes in the sports industry that began in the 1970s with free agency. Free agency allowed an athlete to market itself or herself for the best possible price to any team upon the expiration of a contract. It allowed salaries, because of competition, to really increase exponentially. And when the salaries started to go up, the popularity of sports in general started to go up. You had a combustible combination that really spawned the sports marketing industry that we're in now, and the dollars that athletes earn for endorsements are directly tied to how much they earn on the field, explained Bob Williams, President of Burns
Celebrity Sports, a 20-year-old firm that represents companies in sponsorship contracts with celebrities. In the late 1990s, companies took endorsements to a new level by holding press conferences to announce deals with celebrities. Celebrities were no longer just endorsers. They had become spokespersons for the brand. In the case of sit-coms (Friends) and movies, the celebrities' characters promoted the brands. In 1998, it was estimated that companies in the US spent $800 million on acquiring celebrities for advertisements, promotions and PR campaigns. The total estimated endorsement commitments for 2004, for one company, Nike totalled $338.6 million. Multiple endorsements - both the company signing on several celebrities to promote a brand and one celebrity endorsing various brands, sometimes switching between competitors had become de rigueur. In 1999, one in five advertisements on TV featured a celebrity. An AdAge study of the 20 most effective television ads of 2002, celebrities like Britney Spears featured in two-thirds of the ads.

The fact that more and more celebrities were willing to lend themselves to endorsement deals, contributed to the increase in the number and value of the deals. While the money involved was considered as one of the main reasons for signing deals, there have been cases of endorsements that were based on pure altruistic motives -like Pierce Brosnan's appeal on behalf of Down's syndrome in Ireland. Companies have openly admitted the direct influence of celebrities on the sales of their products. Since the company signed Woods in 1996, Nike golf balls saw a $50 million revenue growth by 2002 to reach $250 million. "He's definitely influenced sales. There was a great deal of speculation, with Nike getting into the golf business. Some
thought that it wasn't going to be authentic, but think we've proven people wrong and Tiger has definitely been the foil for us to do that, "said Kel Devlin, director of sports marketing for Nike Golf. Woods' first contract with Nike was worth $40 million. In 2000, it was renegotiated to create a five-year contract estimated at $125 million. Woods was rated the top most influential celebrity player of 2002.

**Attributes of Effective Celebrity Endorsement**

In his paper titled “Impact of Celebrity Endorsements on Brand Image”, Debiprasad Mukherjee revealed 20 important attributes which are essential for effective celebrity endorsement which are as follows:

- Celebrity-Product Match
- Celebrity-Target Audience
- Celebrity Popularity
- Celebrity Credibility
- Celebrity Values
- Celebrity Physical Attractiveness
- Celebrity Regional & International Appeal Factors
- Celebrity Controversy Risk
- Multiple Endorsements
- Costs of Acquiring the Celebrity
- Fit with the Advertising Idea
- Celebrity Availability
- Celebrity should be Brand User
- Consumer Influencing Advertisement
- Previous Endorsements
- Proper use of promotional Medium
- Brand Image Formation Capability
- Interest of Endorser
- Endorsement Management Team
- Unique Idea of Promotion

**Fig 1.6 : Attributes of effective celebrity endorsement**
1. **Celebrity-Product Match** – According to Debiprasad Mukherjee, the product and the celebrity must match and must have a connection between the two. The level of celebrity/product congruence will influence celebrity endorsement effectiveness through (1) the process of consumer attributions of the celebrity's motive for associating him or herself with the particular product and (2) the subsequent effects of these attributions on the consumer evaluations of the endorser, the ad and the brand involved in the endorsements. For example, if Shahrukh Khan promotes Diapers then it will not result in effective celebrity endorsement.

2. **Celebrity-Target Audience Match** - Debiprasad Mukherjee also focused on the fact that just the product and celebrity matchup, Celebrity must also match with the target audience in terms of demography, geography etc. For example; Indian TV star Smriti Irani endorsing the WHO recommended ORS Campaign in India. Indian mothers can associate with Smriti Irani through the facets she projects on screen or in regular life which helps develop a connection with the target audience since mothers medicate their children with ORS.

3. **Celebrity Popularity** - According to Debiprasad Mukherjee, it is very essential attribute of effective celebrity endorsement. The celebrity who is endorsed or will be endorsed must be popular in their respective faculty. If the celebrity is not popular then he/she will not be able to deliver the desired benefits to the organizations.
4. **Celebrity Credibility** – It is also a major attribute of an effective celebrity endorsement. The credibility of a particular celebrity plays an important role in giving the most out of an endorsement. A celebrity’s credibility can rejuvenate to the marketing campaign of the advertised products/services. For example; To site one of the most successful campaigns in which the celebrity's credibility has had an indelible impact on the brand and has saved the brand is of Cadbury's. After the worm controversy, Amitabh Bachchan's credibility infused into the brand through the campaign, helping it to get back on track.

5. **Celebrity Values** – Celebrity values is also a major attribute of effective celebrity endorsement as celebrity branding is all about the transfer of the value from the person to the product he/she endorses. For example; Amitabh Bachchan & Shahrukh Khan campaigning for Pulse Polio or Aishwarya Rai appearing in the Donate Eyes campaign, reflects the transfer of celebrity values to the brand, which creates an impact on the mind of the target audience and thus generates recall.

6. **Celebrity Physical Attractiveness** – Physical attributes of the celebrity are a very important attribute of effective celebrity endorsement. Physically attractive celebrities are sought after because it creates a positive image on the mind of the target audience. Celebrities like Katrina Kaif, Kareena Kapoor, Salman Khan, etc. are very popular among the endorsements because as they are very attractive.
7. **Celebrity Regional & International Appeal Factors** - In a market with a very high proliferation of local, regional and international brands, celebrity endorsement was thought to provide a distinct differentiation. While selecting an endorser its regional effect always comes into play. Similarly when going global, such celebrities must be used who are also popular overseas. Celebrities like Amitabh Bachchan, Shahrukh Khan etc. are very popular overseas and so these celebrities are always in high demand for celebrity endorsement by the organizations.

8. **Celebrity Controversy Risk** – This is the most important attribute for effective celebrity endorsement. Celebrities who have negative image create a negative impact on the target audience and thus it creates an opposite effect. Celebrities like Tiger Woods, Shiny Ahuja who have a negative image are not the celebrities who must be used for celebrity endorsements by the organizations.

9. **Multiple Endorsements** - The case of multiple endorsements, both in terms of a single brand hiring multiple celebrities and that of a single celebrity endorsing multiple brands, is often debated. At times, consumers do get confused about the brand endorsed when a single celebrity endorses numerous brands. The recall then gets reduced and reduces the popularity of the brand. For example, in case of Sachin Tendulkar people recall Pepsi, TVS Victor and MRF, but might not remember brands like Britannia and Fiat. Thus, for multiple endorsements where the same celebrity endorses several brands, it
boils down to the strength of the brand and the advertising content. So, multiple endorsements for a single brand or multiple endorsement by a single celebrity is very debatable and must be used appropriately.

10. **Costs of Acquiring the Celebrity** - According to Debiprasad Mukherjee, it is also a very essential attribute of effective celebrity endorsement. The cost to be incurred for endorsing a celebrity must be taken into consideration by the organizations as popular celebrities charge very high costs for endorsing to a brand. Celebrities like Shahrukh Khan, Amitabh Bachchan, Kareena Kaif, and Amir Khan etc. are very popular and thus the cost of acquiring these celebrities is very high.

11. **Fit with the Advertising Idea** – Debiprasad Mukherjee also focused on the attribute that a celebrity must fit with the advertising idea for effective celebrity endorsement. Celebrities do have some common characteristics which include their recognition, their status or their popularity but each celebrity may have his or her own unique image or cultural meaning to make the advertising more effective and give the most to the endorsers.

12. **Celebrity Availability** – Due to excessive occupancy of the celebrities, desired celebrities are often not available for the advertising campaign. Thus, organizations must make sure before endorsing their preferred celebrity, who is/are available or not.
13. **Celebrity should be Brand User** – This is most important attribute for effective endorsement as it creates a direct impact on the mind of the target audience. To make an endorsement successful, the organizations must make such efforts that customers should believe in the endorsement. If the endorser using a brand and promoting a different brand in the advertisement, may create a nonsense image to the customer.

14. **Consumer Influencing Advertisement** - The advertisement also should be well made and designed to portray the actual image of the brand and to convey the message intended to transfer to target audience. Sometimes due to poor performance in the advertisement, the promotion attempt fails although the celebrity was perfect for the brand. So, the organizations must create their advertisement keeping in mind the influencing factors so that it can create an impact on the mind of the target audience.

15. **Previous Endorsements** – Organizations must keep this attribute in consideration for making an effective celebrity endorsement. While endorsing a particular celebrity, organizations must monitor and analyze the previous endorsements made by the respective celebrity. Even for an endorsing brand, its prior engagements with same or different celebrities should be kept in mind.

16. **Proper use of promotional Medium** – It is also an effective attribute for effective celebrity endorsement. Sometimes, organizations endorse an effective celebrity but did not choose the right medium of
promoting the marketing message and thus did not get the most out of it. So, to make an effective advertising campaign, organizations must also ensure and choose the proper medium so that they can reach more and more people.

17. **Brand Image Formation Capability** - Both theoretical and empirical research on the subject clearly indicates that celebrity product endorsement is a form of co-branding, which influences brand image through meaning transfer from the endorser to the endorsed brand. Celebrity-product congruence has a positive impact on brand image, which in turn has a positive impact on brand equity. So, organizations must opt for those celebrities who are capable of brand image formation in the market.

18. **Interest of Endorser** - An endorsement became more successful and fruitful when the endorser is has a keen interest with the brand not only for financial benefit, but also for his/her own image building also. So, to organizations must go for those celebrities who are interested in the product/service which are to be promoted by them.

19. **Endorsement Management Team** – To manage the marketing and other related activities and make the celebrity endorsements effective, organizations must have a separate special team to manage these activities and make the celebrity endorsement an effective one.

20. **Unique Idea of Promotion** – Debiprasad Mukherjee also focused on the fact that to make the celebrity endorsement an effective one,
organization must also opt for creative promotional ideas as it also plays an important role in way of effective celebrity endorsement.

**Development of Celebrity Advertising in India**

The legacy of celebrity endorsement is not very old when we are talking about India. Celebrities were first used in endorsement activities in the late nineteenth century. The era of celebrity endorsements in advertising in India began when Bollywood movies and television stars along with the sportspersons in addition to their respective faculty started to stretch their reach to the exclusive domain which was considered a domain especially for the models. Actors, actresses and sportspersons were started to be featured in advertisements and other promotional activities irrespective of the medium. One of the first sports endorsements in India was when Farokh Engineer the famous Indian cricketer became the first cricketer of Indian cricket team who was featured in the advertisement of Bryl cream which was a hair styling cream and then the era of celebrity advertising begun in India. The quantum of advertising activities featuring celebrities started to accelerate and its result came out that famous actress Tabassum was seen promoting Prestige Pressure Cookers in the advertising campaign similarly Jalal Agha was also seen promoting Pan Parag. Famous sportspersons like, Kapil Dev was featured in the advertisement of Palmolive Shaving Cream and Sunil Gavaskar was featured in Dinesh Suitings advertisement.

Today, celebrity advertising has become the most preferred tools of advertising available to the organizations. Celebrity endorsement has become a trend and is often perceived as the panacea for the promotion of product and their
brand building. Today many marketers are fascinated by the persuasion abilities of the famous celebrities and they are crazy about endorsing these celebrities for their products and brand and thus spend huge costs on them.

Celebrity endorsement has developed at a much faster pace since its inception in India. More and more Indian organizations adopted celebrity endorsement as the best way of promoting themselves and thus many celebrities were endorsed by different organizations for their marketing campaigns. Below is the list of the major celebrities who were in big demand during the 2005-06 in India.

<table>
<thead>
<tr>
<th>The Big Endorser</th>
<th>The Brand</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Sachin Tendulkar</td>
<td>Pepsi, Adidas, TVS, Britannia, MRF, ESPN</td>
</tr>
<tr>
<td>b) Shahrukh Khan</td>
<td>Pepsi, Santro, Vedeocon, LML</td>
</tr>
<tr>
<td>c) Amitabh Bachan</td>
<td>Pepsi, Cadbury, Dabur, Nerolac, Reid &amp; Taylor</td>
</tr>
<tr>
<td>d) Aamir Khan</td>
<td>Coke, Titan</td>
</tr>
<tr>
<td>e) Saurav Ganguly</td>
<td>Emami, Hero Honda, Britannia, LG</td>
</tr>
<tr>
<td>f) Saif Ali Khan</td>
<td>Asian Paints, Yamaha, Frito Lays, Royal Stag</td>
</tr>
<tr>
<td>g) Virendra Sehwag</td>
<td>Boost, Badur, Coke, Team Samsung, Britannia, Adidas, Mayur</td>
</tr>
<tr>
<td>h) Rahul Dravid</td>
<td>Castrol, Samsung, Pepsi, Hutch, Britannia, Reebok</td>
</tr>
<tr>
<td>i) Aishwarya Rai</td>
<td>Nakshtra, Lu, L'oreal, longiones watches</td>
</tr>
<tr>
<td>j) Preety Zinta</td>
<td>Cadury, Godrej, TVS Scooty, Maggi, Head &amp; Shoulders</td>
</tr>
</tbody>
</table>

Source: Top 10 celebrity endorsers, riding the wave, Prachi Raturi (2005), Brunch Hindustan Times Magazine.
Introduction

Present Scenario of Celebrity Advertising in India

Since its inception in the Indian market, celebrity advertising is evolving and stretching its roots like anything. Today, it has become a new faculty in the field of advertising and is developing day by day. Spending by the Indian organizations on celebrity advertising is increasing year after year as the index in the year 2003 has grown up to 745 in the year 2007 as postulated by the below mentioned figure;

![Celebrity endorsement on a steady rise since 2003](chart)

Celebrity Endorsement advertisements volume has witnessed a steady growth by 26% in Jan - Jun 2013 in comparison with Jan - Jun 2013 as can be seen from the below given figure;
In the field of celebrity endorsements, from the all major categories of celebrities, Bollywood enjoys the biggest share in terms of endorsements. Bollywood actors and actresses have the biggest share of endorsements when compared with other categories of celebrities like sportspersons, models etc. The combined share of film actors and actresses was estimated to 80% of the total share of celebrity endorsements in India in 2013 and the other categories in terms of professions and their share is shown below;
M. S. Dhoni occupied the top position in the list of celebrities with maximum number of brands endorsed on TV. He was followed by Shah Rukh Khan at second place and 'Kareena Kapoor' and 'Sachin Tendulkar' sharing the third place during 2009.

The top ten categories in which the celebrity endorsement on television in India during the year 2008 and 2009 are as follows;
And the top ten brands which opted for celebrity endorsements as the mode of their promotion in 2010 are given in the below figure;
Celebrity Advertising in Rajasthan

Due to increasing popularity of the application of celebrity in advertisements in the whole country, the state of Rajasthan also followed the same foot prints. In the whole state, advertisements featuring different celebrities from different faculties were seen. Almost every media of advertisement whether print, outdoor and electronic media are full of advertisements which feature a celebrity. In every city whether big or small and in every village of the state witnessed and viewed the advertisements in which there is a presence of a celebrity promoting the respective product/service. So, celebrity advertising also stretched its roots in the state of Rajasthan just like it made in presence in the other parts of the country.

Contribution of Celebrity Advertising

Credibility
Expertise
Trustworthiness
Attractiveness
Similarity
Liking
Familiarity
Match-up congruency
References