



CELEBRITY ADVERTISEMENTS FOR BRANDS- A SWEET YES FROM MARKETER, A BITTER NO FROM CUSTOMERS.....

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Abstract

The existence of celebrity advertisements can be frequently seen in the market where the marketers using this as a tool for promoting the brand and accelerating its reachability to the customers by enhancing sales on one hand and increase of market share on the other hand. Celebrities are widely used in various advertisements in audio- visual mode in the present media world. This is somewhere in marketing also known as Celebrity Endorsement. But this concept of increasing sales value does not get prove all the time and shows negative impact of using more celebrity advertisements on the customers. The present paper puts emphasis on evaluation of negative celebrity shadow on the perception of brand by the consumers. The paper also puts up emphasis on sorting out the factors or characteristics of a celebrity which are most important in consumer's perception to percept negative feeling towards a certain brand. The present author also tried to evaluate that whether really the celebrity endorsement is still effective and to measure the degree of relationship that a celebrity's persona has with his or her creditability in this modern market full of intellect and highly- aware customers.

Keywords: *Celebrity, Celebrity Endorsement, Perception, Persona, Promotion*

Background and Statement of the Problem

Nowadays, the process of 'Celebrity Advertisement or Endorsement' has attracted enormous deliberation on whether it really adds value to the brand building for the company upto certain extent or is it just an instrument to make the brand more attractive in the minds of the consumers?

In the modern aware society, due to the explosion of vast media channels, a person on an average sees 1000 advertisements per day in a populated country like India only wherein each family in the country has at least one television at home exposed to such number of advertisements. The most interesting fact about these figures is that the viewer forgets 80 % of the information gathered in just 24 hours. Due to this, the marketers initiated the solution of positioning through 'celebrity advertisements'.

But the question further arises:

Is the solution perfect for enhancing the sales of a company? Or is the idea of celebrity advertisement creating a positive impact on the people's consumption nature?

The present research paper discovers the relationship between the process of creating brand image through celebrity advertisements and the level of effectiveness that they produce in the market.

Research Problem & the Need of Study

The celebrity advertising/ endorsement in the recent market has started to show negative impact on the perception of consumers about the brand. The problem of using celebrities in conveying message to the consumers is that people start to associate personal characteristics of the celebrity with the product or the brand. For example, the Siyaram Silk Mills Ltd.,

an Indian based company withdrew its ad campaign of J. Hampstead in the year 2000 after its key celebrity endorser Hansie Cronje became the most hated sportsman within a night (ICMR, 2010).

Now a lesson from this case, for achieving competitive advantage in the market, firms are now in a state of dilemma whether to include celebrity in the advertisements or go with the average person.

Objectives

Based on these outcomes, the present paper has been designed with the following objective:

- I. Whether consumers really getting attracted to the celebrity brands?
- II. Which factors and aspects of news weigh more importance in affecting the endorsed product?

Significance and Contribution of Research

As we know that consumers entity is the only that provides major portion of a producer's output in a market-driven capitalist economy that ultimately enriches national economy of a country. Various scholars and researchers had revealed that the rational consumers first seek detailed information about the various characteristics of the product before its fruitful purchasing. But evidences say that almost all shown advertisements fail to provide the real information to the potential consumers.

Pertaining to the above essentialities of advertisements, it is rigorously important for the marketers to understand the best endorsers for an advertisement. So regarding these problems, the present paper would be helpful in determining the right value of a celebrity for a specific

brand. In this part, the personal features of the endorser would get evaluated. In the process of determining all these factors, the most important ones that play a negative role in affecting the product, can be identified by the marketer.

Literature Review

In order to gain acquaintance with the present status of knowledge a partly intensive survey of the

previous literature available is done. These researches are also helpful in deciding the procedure of the

study and in the interpretation of the findings.

This section is divided into two sections as follows:

- 1. Studies done in Abroad.**
- 2. Studies done in India**

1. Studies done in Abroad:

“Celebrity is an omnipresent feature of society, blazing lasting impressions in the memories of

all who cross its path.” Kurzman et.al (2007)

The market value of the sponsors associated with Tiger Woods decreased substantially in relation

to the market value of those companies that were not associated with Tiger Woods.

This reveals strong connection between celebrity endorsement and stock prices showing negative impact on consumer’s perception (Knittel & Stango, 2010).

The consumer buying behaviour can be influenced by the presence of a well known person. McCracken (1989) He also stated that celebrity advertisement can be recognized as an omnipresent feature of the modern marketing concept. This influences the brand image of the organizations.

Consumers have a tendency to possess a perception that information coming from a known communicator has more similarities with their life style and interest in comparison to the unknown persons. Erdogan & Et. Al (2001)

The primary reason behind these appeals is to convey the information that an organization seeks to deliver to gain higher brand recognition and awareness among the huge audience. However, while implementing these appeals presence of known or unknown person is required in the advertisement to convey the message of the organization to the target audience.

According to the modern advertising strategies, certain changes are required to bring on the aspects of fear, emotional, humour and shock (Severn & Belch, 1990).

Recent trends reveal that celebrities are increasingly endorsed. Historical data discloses that before ten years, out of eight advertisements only one showed celebrity but the scenario has been transformed to 20-25% in the United Kingdom and the United States (Shimp, 2000).

Most of the studies in this field have been on the western culture and two new concepts have been evolved. They are 'vampire effect' and 'hot potato effect'. These two concepts can be discussed now. Vampire effect refers to a situation when the consumer recognises and remembers the endorsing celebrity instead of the brand. It implies that the celebrity gain fame and publicity from the advertisement and beat the brand image of the product endorsed

or the main purpose of the advertisement do not get benefited (Ohanian, 1991). The concept of the hot potato effect is quite different from the vampire effect. It denotes a situation when marketers drop the celebrities who are embroiled in scandals (Money & Et. Al., 2006). Few studies were also been conducted in the eastern culture and the outcome that had been revealed is that multiple brands have been endorsed by a single celebrity (Roy, 2006). At the same time researches based on China disclose that celebrities have positive impact on the materialistic values and viewing of advertisements in China (Chan & Zhang, 2007).

According to Hsu and McDonald (2002), consumer might be sceptical about the fact that endorsers can really consume the product or service that they endorse. He indicates that there is confusion with the celebrity endorsement. He believes that, on the one hand, multiple celebrity endorsement can create confusion among the consumers while on the other hand; single endorser for a particular product can be taken as boredom.

Tripp and Et. Al. (1994) feels that the celebrity associated with several brands possess less credibility from the consumers. A celebrity 'blamed for negative events' might be having harmful impact on the products and services they endorse.

Rossiter and Percy (1997), has included an important aspect while discussing the drawbacks of the celebrity endorsement and that is 'vampire effect' or 'celebrity vamping'. He states that these concepts can be perceived if endorsing celebrity is too gorgeous and can draw attention of the consumers away from the product.

Two new shortcomings can be seen these days what marketers call Celebrity Trap and Celebrity Credibility. Celebrity trap is when the task to find substitutes becomes more and

more difficult and thus celebrity becomes an addiction for the marketing team leading to surfeit of celebrities. Celebrity

credibility refers to skepticism by the consumers regarding the celebrities, because of which brand is bound to be affected, especially when there is anything negative regarding the celebrity associated with the brand in the news. (Kulkarni and Gaulankar, 2005).

Agrawal and Kamakura (1995) recommend that there are decreasing returns associated with celebrities in advertising. Also some consumers have termed celebrities to be a 'puppet' used by companies implying that they perceive the celebrities to be lying, when endorsing certain products. (Temperley & Tangen, 2006) A study conducted by Kahle and Homer (1985) divulged that consumers were more geared up to buy an Edge razor after seeing an attractive celebrity in a magazine advertisement than an unattractive celebrity.

However it was suggested by Caballero et al., (1998) and Ohanian (1991) that though attractiveness might result in positive feelings towards advertising and products, but it is not necessary that this feeling should necessarily translate into actual behaviour, cognitive attitudes and purchase intention.

It is indicated by both Till and Busler (1998) and Ohanian (1991) that more than physical attractiveness, the expertise of the endorser is more important in affecting attitude towards the endorsed brand.

Daneshvary and Schwer (2000) refer to individuals with higher levels of education might be less influenced by any form of advertising than those with less education, because education provides individuals with analytical skills allowing them to decipher information from several sources prior to making a purchasing decision, making them less likely to purchase a product based on one source. .

It is seen that celebrity endorsement specially encourages the young to embrace their individuality by celebrating their contemporary icons and heroes. (Temperley, Tangen, 2006).

2. Studies done in India:

Indian market is not by a large space, an easy audience to target for the advertisers. The one billion people of the country are speckled in terms of beliefs, ethnicity, states, culture, language, dialects, norms and values. Other aspects such as the economic discrepancy in the country separates it in a way which has resulted in a large number of lower and upper middle class, with a very small class falling under in the middle class. This demonstrates a vast disparity in the buying power and decision making clout, one which the advertisers should keep in mind. Indian advertisement has been placing a vital amount of importance on both recall and persuasion as brand differentiating messages.(Dixit,2005). Very often, various advertising styles are used by advertisers to influence consumer brand choice behaviour and among these different available choices one very popular choice is Celebrity Endorsements. (Alsmadi 2006).

A person who enjoys public recognition from a large share of a certain group of people and uses this recognition on behalf of a consumer good by appearing with it in advertisements is known as a celebrity . (McCracken 1989). They are usually known to the public for their accomplishments in areas other than the product endorsed by them. Friedman &Friedman 1979). This stands true for classic forms of celebrities such as actors like Shah Rukh Khan, models like Milan Somen, Sports athletes like Sachin Tendulkar and entertainers like Maliaka Arora Khan but also for less obvious groups such as businessmen like the Ambani's or politicians like Rahul Gandhi.(Schlecht 2003).

Indeed, some people are seen to admire, imitate, and become be sotted with their favorite celebrities, which forms the crux for the celebrity endorsement being quite a sought after advertisement technique.(McCutcheon et.al 2003).

Few of the brands in India have, no doubt, been established without celebrity endorsement (Kulkarni and Gaulkar, 2005). Procter & Gamble promoted its 'Rejoice' brand in India with an ordinary woman in their advertising which worked well. They do not believe in celebrity endorsement and think that consumers, especially housewives, are more prone to identify with a lay person than a celebrity. A few more examples that can be given are Lifebuoy, Close Up, Fevicol etc.

Research Methodology

With a major concern to fruitful outcome of the research, the data has been collected from the secondary sources to measure the impact of celebrity advertisement on the consumer's perception of brand.

These are:

- Published materials of the sponsors associated with an instance of negative impact of celebrity endorsements
- Published data of researchers on the effect of celebrity endorsements showing negative impact of advertisements on customer using celebrity as a sole aid.

Lessening the Effect of Celebrity Advertising

According to Vijaivargiya and Gupta N.D., there are basically five causes of minimizing the right affect of the celebrity endorsement on the customers.

1. **Improper positioning of the celebrities:** It puts negative impact on the audiences. The sense of the advertisement and the message that the company wants to convey can be inversely taken by the targeted audience.
2. **Brand connection:** The personality or the demographic characteristics of the celebrity is essential to have a strong connection with the brand for its successful representation. For example, A male celebrity is never suitable for an advertisement which is targeted to ladies customers.
3. **Dissatisfaction with the performance:** Celebrity bad acting/camera performance can lead to bad image of the brand.
4. **Poor quality of the Product:** It implies that a poor quality product can attract a customer only at the time of first purchase of the product but retention of the product cannot be ensured with celebrity endorsement.
5. **Avoidance to Multi-Performer:** The multi-performing celebrity should be avoided to a greater extent so that the brand loyalty can be better understood by the customers.

2010's Worst Celebrity TV Ads by Negative Lift (Sink)

	Celebrity	Brand	Ad Title	Lift
1	Tiger Woods	Nike	Did You Learn Anything?	-30%
2	Lance Armstrong	Radio Shack	No Emotions	-28%
3	Kenny Mayne	Gillette	Good Segment	-28%
4	Dale Earnhardt Jr.	Nationwide Auto Insurance	Coverage at the Right Price	-27%

5 Donald Trump Macy's Making Timmy a Mogul - 24%

Source: adage.com; Peter Daboll; January 12, 2011

Advantages of Celebrity Advertising/ Endorsement

The previous researches show that over 20% of the TV advertisements encompass celebrities and advertisers pay a high amount for their services (Belch & Belch, 2001).

The various advantages of Celebrity Advertisements are:

- Celebrities may help advertisements stand out from surrounding clutter, thus improving their communicative ability (Atkin and Block, 1983).
- Celebrities help in brand name recognition (Petty, Cacioppo, Schermann, 1983).
- Celebrities create a distinct personality to the endorsed brand (McCracken, 1989)
- Celebrities make advertisement believable (Kamins et al. 1989).
- Celebrities influence consumer's purchase intentions (Tripp, Jensen, Carlson, 1994).
- A celebrity can contribute a new dimension for the brand (Till, 1998).

Disadvantages of Celebrity Advertising/ Endorsement

- Consumers know that endorsers really not consume the product they advertise and perform for (Hsu and McDonald, 2002)
- Customer might get confused by multiple celebrity endorsement (Hsu and McDonald, 2002)

- ‘Vampire effect’ or ‘celebrity vamping’ is done where celebrity due to very influencing personality attracts and drags the customer minds towards him more than towards the product or brand (Rossiter and Percy, 1997)
- Mismatch between the celebrity and the brand of endorsement creates a confusion to customer by which they put into the situation of dilemma of buying that product (Till and Shimp, 1998).
- Celebrities who are blamed for negative events can have detrimental effects on Products they endorse (Louie and Obermiller, 2002).

Celebrity Advertising: Risk vs. Returns

From the abovediscussions and reviews of the literature it is quite evident that an advertiser can gain returns out of the advertisement and at same time they have to bear risk. To demonstrate the risk and return analysis of the celebrity endorsement, an article written by Dr. Puja Khatri has been undertaken.

Returns

- **Develop Awareness:** This is more benefited for the upcoming brand in the market if a celebrity endorses it. It not only attracts the attention of the customers but higher level of message recall is possible for the products by the celebrities.
- **Emotional Connection:** The globally renowned celebrities who have a long queue of admirers among the general people and thus they can positively persuade their fans.
- **Enhance Brand Image:** The authenticity and the credibility attached with a celebrity

have been coupled with the brand when he endorses it which is quite adequate to enhance the brand image.

- **Accelerate the Bonding:** The more dense relationship building process between the brand and the customers can be done through the presence of the celebrities.
- **Means of Brand Different Ion:** Through engaging a celebrity for the first time in the industry a company can gain competitive advantage over its competitors.
- **Source of Imitation:** Celebrities act as role model for the general public and customers imitates his personality with the celebrity and the customers start using those product and services.

Risks

- **Celebrity addiction to customers:** It implies that celebrity activity tends to be the addiction for the consumers and then task of identifying a better celebrity substitute becomes more difficult.
- **Persuasion to Intellect Customer:** Today's market is full of intellect customers and they are smart enough to understand that celebrities are highly paid for stating good things about the brand even if that brand has nothing to enrich the quality of customer's life or demands required to fulfill.
- **Conflicting Image:** The absence of synergy between the product category and the celebrities' own image can make the endorsement strategy futile.
- **Scandals associated with Celebrities life:** Involvement of the endorsing celebrity in any

kind of moral violation and scandals can drop down the brand image.

- **Multi- Performance :** The author has regarded Multi/Poly endorsement as a celebrity drawback to brand. It creates the confusion among the consumers if an endorsing celebrity is associated with multi-brands and multiple products (Khatri, 2006). It also raises a question mark on the loyalty of celebrity to the specific brand, so on to customers.

The Five worst Celebrity Advertisements in India: A story of 2012

1. Celkon Mobile Phone

Reason: One can't make out the product proposition or the story line or the celebrity usage in this ad. I wonder why they have bothered to take Viraat Kohli in the ad. Bad script. Bad acting.

2. Idea Cellular Abhishek "Heaven" Series

Reason: An idea can change your afterlife? What? How? And it gets even more ridiculous after that. Ads shot in white clouds, featuring dead people whose are resorting to Idea cellular for entertainment and stock market updates. To begin with, the premise is incomprehensible. The casting is bad, every actor overacts.

3. Hyundai Eon TVC (the trend that India loves to follow)

Reason: It comes across as being completely fake, and the lack of a human truth or insight is glaring. One ignores this kind of nonsense coming from vague cement or online shopping brands, but it just stands out when done by a genuinely big brand like Eon.

4. Dollar Vest

Reason: Celebrity not leveraged. The pattern of unabashed heroism continues without adding to the tenor the category has seen so far. The portrayal as a blind man and the plot are a tad insensitive.

5. Babyoye ad

Reason: Creativity is subjective. But one off the questions to ask is-Will the audience understand the ad? The story ends abruptly. The baseline has no connect with the plot and the product window with Karisma looks grafted

(Source: <http://articles.economicstimes.indiatimes.com/2012-02-15/news>)

Summary

The domain area of the research paper is the negative impact of the celebrity endorsement with the core objective of determining whether the celebrities' endorsements are still effective or not. Considering this objective this reviews of literature has been conducted. Even the effect of endorsers' demographic profile on the scandals has also been taken into account. Before discussing any attributes, it is necessary to idealize the background of the concept and to perceive the global approaches. Therefore, background of the celebrity endorsement has been discussed and a global view has been presented. The study is primarily on the impact of the celebrity endorsement. Moreover, issues regarding the contracts and the celebrity endorsement have also been demonstrated. Risk and return analysis of the concept has also been undertaken. Even over ten years time frame a huge transformation has been noticed in the engagement of celebrities, but the companies are now dealing with more knowledgeable audiences. For them quality of the product is the decision making criterion and not the celebrity involvement. Therefore, it can be concluded that though there are possibilities of certain emerging risks in near future from the competitive customers, the celebrities are still valued by the consumers, but the rechecking of

this is mandatory to get into the market for a longer and sustainable time period.

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