



Brand Endorsement By Celebrities Impacts Towards Customer Satisfaction

* C.S. Jayanthi Prasad

* Associate Professor, School of Management Studies, Jaya Prakash Narayan College of Engineering, Mahabubnagar

ABSTRACT

In India today, the use of celebrity advertising for companies has become a trend and a perceived winning formula of corporate image-building and product marketing. This phenomenon is reflected in the recent market research finding that 8 out of 10 TV commercials scoring the highest recall were those with celebrity appearances. Today 'Celebrity Endorsement' has attracted immense debate on whether it really contributes to the brand building process or whether it is just another tool to make the brand more visible in the minds of the consumers.

For example, with the Cadbury's worm issue, the brand wanted to build a trust amongst the customers in order to regain its market share. They chose Amitabh Bachchan as an endorser to build that trust and in order to regain their market share. According to the sales data, it was found out that the right celebrity selection gave the right results to them.

Firms invest huge amounts as advertising expenditure for hiring the right celebrity. However there lies uncertainty with respect to the returns that the company might be able to garner for the brand. For example, the Bachchans were endorsing Maruti Versa but this campaign, in spite of the Bachchans being there, was a failure and indirectly the brand was a failure. The consumers were not able to accept the fact that Amitabh Bachchan could ever drive a B-segment car. From the above examples, it can be stated that there should be a synergy between the brand and the endorser.

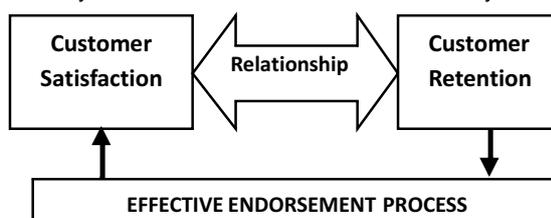
On the other hand, the over popularity of the celebrity sometimes overshadows the brand. If the celebrity is involved in multiple endorsements, it tends to create confusion among consumers and hence negatively affects the perception of the advertisement and the brand. Hence, to say clearly whether the practice of celebrity endorsement impacts positively or negatively to the brand still remains a debate.

Keywords : Celebrity, Advertising, Customer, Endorsement

Customer Satisfaction

There exists an interaction between the desired results and customer satisfaction, customer loyalty and customer retention. They may go by other names such as patients, clients, buyers, etc. Without the customer it is impossible for any business to sustain itself. Achieving the desired results is frequently a result of customer actions. Any business without a focus on customer satisfaction is at the mercy of the market. Without loyal customers eventually a competitor will satisfy those desires and your customer retention rate will decrease.

Find ways to involve the business with the community



Model of Satisfaction-Retention Relationship through Effective endorsement Process

There are several levels of customers:

1. Dissatisfied customer--Looking for someone else to provide product or service.
2. Satisfied customer---Open to the next better opportunity.
3. Loyal customer--Returns to the same stores despite offers by the competitors and ready to switch over

Celebrity endorsement is expensive. Yet the companies are willing to pay for the powerful endorsement embedded in the celebrities whose name, face and/or voice recognition can draw considerable attention of millions of consumers. Agrawal and Kamakura (1995) estimate that approximately 20% of all advertisements use some form of celebrity endorsement to inform and persuade. In 2001, IEG Endorsement Insider, an advertising trade publication, estimated that celebrities directly received more than \$800 million in 2001.

Literature Search

In order to examine the effect on consumer behavior of the use of a celebrity endorser in advertisements, there are four areas of the literature that must be examined; two areas in the economics literature and two others in the marketing literature. From the economic perspective, I examined (1) the concept of variable quality and how that is used to differentiate products,

and (2) the research that has been done concerning the function of advertising as providing information to consumers. From the marketing perspective, two areas refer to: (1) the research concerning the effect that advertising has on consumers' behavior, and (2) the various effects that are generated by celebrity endorsers in advertising.

Multiple Brand And Celebrity Endorsement

Studying TV and print advertisements, one will realize that either some celebrities are endorsing several brands or a specific brand is endorsed by different spokespersons. These concepts are called multiple brand endorsement and multiple celebrity endorsement respectively. Some spokespersons are "shared" by different advertising firms, i.e. they are promoting more than one brand (Tripp et al. 1994, p. 535). Golf champion Tiger Woods has endorsed American Express, Rolex, and Nike. Actress Catherine Zeta-Jones is used by T-Mobile and Elizabeth Arden. James Bond character Pierce Brosnan promotes Omega, BMW, and Noreico. Top model and actress Milla Jovovich is a spokesperson for a broad range of brands, including L'Oréal, Banana republic, Christian Dior, Calvin Klein, and Donna Karan. Figure 1.

Figure 1: Brands endorsed by top model and actress Milla Jovovich (Source: millaj.com)



More satisfying results have been achieved on the concept of multiple celebrity endorsement. Hsu and McDonald (2002, p.21), studying the effectiveness of the 'milk mustache campaign' on consumer perceptions, found that endorsing a product with multiple celebrities "can be beneficial for appealing to various audiences to which the product is aimed." The watch manufacturer Omega, for example, promotes its brand by matching selected celebrities with the company's product lines. (View Figure 2). With celebrity spokespersons representing a diverse mix of type, gender, and age, they can effectively be used to endorse specific brand lines of a company as shown by the cosmetic manufacturer L'Oréal, which matches its diverse product lines in accordance with the celebrity's meanings.

Figure 2: Celebrities endorsing the luxury brand 'Omega'



Source: http://www.omega.ch/omega/wo_star_ambass_entry

How Celebrity Endorsements Influence the Consumer

The basis for the effectiveness of celebrity-endorsed advertising can be linked to Kelman's processes of social influence as discussed by Friedman and Friedman. According to Kelman, there are three processes of social influence, which result in an individual adopting the attitude advocated by the communicator:

Compliance, Identification & Internalization

Compliance infers that another individual or group of individuals influences an individual because he or she hopes to achieve a

favourable reaction from this other group. This process of social influence is not directly applicable to celebrity advertising because there is little, if any, interaction between the celebrity and the consumer.

Identification applies to the situation wherein the individuals emulate the attitudes or behaviour of another person or group, simply because they aspire to be like that person or group. This process is the basis for referent power. It was found that celebrities are more commonly liked than a typical consumer spokesperson.

Methodology And Database

The experimental data will then be used to develop the hypotheses. Using a nine point semantic scale, each subject will be asked to do the following: (1) to rate the attributes, (2) to rate the quality of the product based on the direct and indirect information found in the ad, (3) to rate their impression of the performance of each attribute of the product, (4) to rate respectively how credible and relevant they believe the information to be, and (5) to offer the price they are willing to pay for the product.

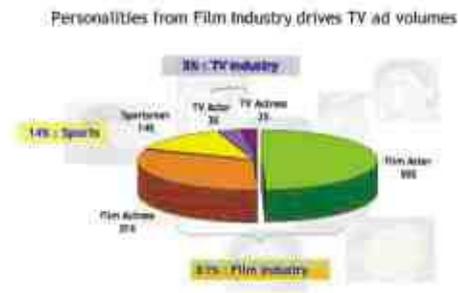
Celebrity Endorsement Has Little Influence On Decisions To Buy

Though companies often scramble to have the most popular celebrities endorse their products, a study reveals that while a celebrity endorsement may enhance the brand recall of a product, it does not for the most part influence the customer's decision to buy. The study conducted by IPAN-IMRB surveyed males and females in the 16 to 45 age-band in SEC B and C.

The study was conducted across the four metros (Mumbai, Delhi, Kolkata and Chennai) and a sample of mid-sized (Indore, Lucknow and Chennai).

According to an official statement, even in the South where celebrities are revered, 58 per cent said they may remember an ad because of the presence of a celebrity but only 2 per cent considered the celebrities while buying the product.

Quality, Price Uppermost



For the major chunk of 84 per cent of respondents in South India, quality followed by price were the most important factors taken into consideration while making a decision to buy. Though the presence of a celebrity was considered a major reason for an ad to be prominent, only about 24 per cent of respondents in the South said a celebrity endorsement affected their decisions.

On an all-India basis, 78 per cent of the respondents felt that 'quality of the product' was the most important factor while buying a product, whereas only 3 per cent considered celebrity an important factor, the statement said.

Brand Ambassadors

Shah Rukh Khan is the most recalled brand ambassador for 17 per cent of the masses, followed by Amitabh Bachchan (enjoying brand recall by 10 per cent). Aishwarya Rai topped among female celebrities, enjoying recall among 6 per cent of the sample size.



Introduction - Celebrity

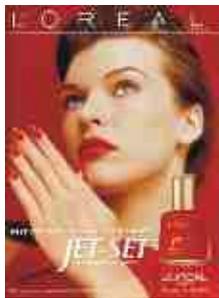
Celebrities are people who enjoy public recognition and mostly they are the experts of their respective fields having wider influence in public life and societal domain. Attributes like attractiveness, extraordinary life style or special skills, larger than life image and demigod status can be associated with them. Celebrities appear in public in different ways. These celebrities have universal presence and appeal, they are present everywhere, in news, fashion shows and magazines and above all advertisements.



Celebrity branding is a type of branding, or advertising, in which a celebrity uses his or her status in society to promote a product, service or charity. Celebrity branding can take several different forms, from a celebrity simply appearing in advertisements for a product, service or charity, to a celebrity attending PR events, creating his or her own line of products or services, and/or using his or her name as a brand. The most popular forms of celebrity brand lines are for clothing and perfume. Most singers, models and film stars now have at least one licensed product or service which bears their name.

In India from late 1970's and early 80's the new trend in advertising started. Brands started being endorsed by celebrities. Hindi film and TV stars as well as sports persons were roped to endorse prominent brands. Advertisements featuring stars like Late Jalal Agha (Pan Parag), Tabassum (Prestige Cookers), Sunil Gavaskar for Dinesh Suitings, Ravi Shastri and Vivan Richards (Vimal), Persis Khambhata and Kapil Dev (Palmolive Shaving Cream) became common.

Celebrities as Spokespersons



Companies frequently use spokespersons to deliver their advertising message and convince consumers of their brands. A widely used and very popular type of spokesperson is the celebrity endorser (Tom et al. 1992) 2. According to Friedman and Friedman (1979, p. 63) a "celebrity endorser is an individual who is known by the public for his or her achievements in areas other than that of the product class endorsed."

The cosmetics manufacturer Elizabeth Arden, for example, uses the actress Catherine Zeta-Jones to endorse its perfume. The reason for using celebrities as spokespersons goes back to their huge potential influence. Compared to other endorser types, famous people achieve a higher degree of attention and recall.

Celebrity Endorsement

Celebrity endorsements give a brand a touch of glamour and

the hope that a famous face will provide added appeal and name recognition in a crowded market. A piece of research states that the target audience age group of 15-30 gets influenced first by cricketers, then bollywood stars and only then music, festival and food. There are around 130 television channels in India broadcasting over 3 million television commercials each year in India. More over people forget 80% of the information in just 24hours. Some wherein the 80's, Indian marketers found the solution, 'Celebrity Endorsement' for the brand!



Conclusions

The conclusions from this study can be used to explain why basketball shoes endorsed by Michael Jordan, a known expert basketball player, will be priced at a level up to 100% higher than similar shoes sold at the same location. It also explains why name brand products are priced at a large premium above the generic brands which are physically the same. The consumers perceive the endorsed or name brand to be of higher quality and are therefore willing to pay more.

It appears that the selection of an endorser who is viewed positively by consumers and who is known to possess attributes which match up with the attributes of the product, is critical in order for the indirect information to significantly impact the consumer's perception. Mismatched endorsers or endorsers who are not viewed positively will have a much smaller impact on consumers. On the other hand, an endorser who may not match up perfectly with the product, but who is viewed positively may still have an effect on the consumer, although the effect will probably be smaller than with a properly matched endorser.

Well liked endorsers can have positive effects on consumer perceptions even if they do not match up well with the product.

REFERENCES

- Aaker, David A. (1996), Building Strong Brands. New York, NY: The Free Press. Alycia de Mesa, "Sell-lebrity: Products Get Star Treatment", brandchannel.com | Daneshvary, Rennae and R. Keith Schwer (2000), "The Association Endorsement and Consumers' Intention to Purchase," Journal of Consumer Marketing, 17 (3), 203-213. | Erdogan (1999), "Celebrity Endorsement: A Literature Review", Journal of Marketing Research, 15, 291-314 | Friedman, Hershey H. and Linda Friedman (1979), "Endorser Effectiveness by Product Type," Journal of Advertising Research, 19 (5), 63-71. | Goldsmith, Lafferty and Newell (2000), "The Impact of Corporate Credibility and Celebrity Credibility on Consumer Reaction to Advertisements and Brands", Journal of Advertising, Volume XXIX, number 3, 43-54 | Leon Bailey Green, "Everyone's got a perfume and a fashion line. What next for celebrity brands?" leonbaileygreen.com | McCracken, Grant (1989), "Who is the Celebrity Endorser? Cultural Foundations of the Endorsement Process," Journal of Consumer Research, 16 (3), 310-321.