

CELEBRITY ENDORSEMENT: A LITERATURE REVIEW

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Abstract:

Today, one of the most popular advertising strategies used by companies is celebrity endorsement. It has become an integral part of almost every brand's promotional campaign and a big marketing trend. Both, theory and practice have proven that the use of celebrities in advertising is a good way for attracting attention of a public. Celebrities are role models for majority of Indians and are most respected persons in the society. Celebrities influence people by way of their dressing, styles and habits. Hence, companies hire celebrities to promote their brands or products and also to influence purchase intentions of the buyers. Consumers perceive that celebrity endorsement positively influences brand attitudes and purchase decision and even thoughts. It is also proven that celebrity endorsement influences buying behavior of consumers. This paper tries to present literature on celebrity endorsement.

Keywords: Celebrity Endorsement, Buyer Behavior, Importance, Brand promotion, Purchase intentions

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INTRODUCTION

The term Celebrity refers to an individual who is known to the public (actor, sports figure, entertainer, etc.) for his or her achievements in areas other than that of the product class endorsed (Friedman and Friedman, 1979). Celebrity endorser 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 (marcoms), is useful, because when celebrities are depicted in marcoms, they bring their own culturally related meanings, thereto, irrespective of the required promotional role (McCracken, 1989). Kotler (2006) explains that celebrity endorsement is a particular strategy used by marketers to advertise a product from such a platform through which consumers can associate themselves with the brand value from the perspective of the celebrity personnel. In India a celebrity idolizes in the mind of the consumer so large that any activity can be capitalized on their huge fan followers (Erdogan,1999). Today, one of the most popular advertising strategies used by companies is celebrity endorsement. (Goldsmith, Lafferty and Newell, 2000)

Celebrity endorsement increases the attention paid to an ad (Buttle, Raymond, and Danziger 2000). Celebrities are generally attractive, which helps persuasion when consumers are worried about social acceptance and others' opinions (DeBono and Harnish 1988) or when the product is attractiveness-related (Kahle and Homer 1985, Kamins 1990). Celebrities may be credible sources if they have expertise in a particular area, such as an athlete endorsing shoes (Ratneshwar and Chiaken 1991) or a beautiful model endorsing make-up (Baker and Churchill 1983). Celebrities are often well-liked, possibly leading to identification and consumer persuasion in an attempt to seek some type of relationship with the celebrity (Belch and Belch 2007). However, advertisers used famous people for product endorsements since 1920. Actresses Joan Crawford, Clara Bow and Janet Gaynor were among the first celebrities to promote products (Fox, 1984). At that time, the rationale given by advertising agencies for using celebrities was "the spirit of emulation". About a decade ago, one in three television commercials used celebrities' endorsements (Business Week, 1978), and today this advertising approach appeared to be on the increase across all media types (Sherman, 1985 and Levin, 1988). Celebrity advertising for companies has become a trend and a perceived winning formula of corporate image building and product marketing. Brands have become embedded in the consumer psyche and offer consumers the opportunity for self-expression, self-realization and self-identity.

Celebrity endorsement is recognized as a potentially potent tool in communications, with celebrities viewed as more powerful than anonymous models and campaigns tending to verbalize the meaning of the celebrity in relation to the brand (Brian Moeran, 2003). To the manufacturer, brands offer a means of identification, legal protection and the ability to be distinctive. In addition, branding is a sign of quality and can be used to secure competitive advantage and increased financial returns and high customer loyalty. For the consumer, the brand functions as a means of identification, reduces search costs, effort and perceived risk, thereby facilitating in decision making, and represents a guarantee of quality and reliability. Silvera and Austad note that the celebrity system is primarily an American cultural enterprise and that Americans identify especially strongly with celebrities and are thus more willing to accept and internalize endorsement messages.

PURPOSE OF THE STUDY

Celebrity endorsement was not a new phenomenon, and has been followed by the marketers since many years. Research was done by many people on this topic. The research paper makes an attempt to club the definitions, reviews, other key contributions made by different authors on celebrity endorsement to gain more clarity on the selected topic. This paper would help guide further research.

METHODOLOGY

The integrated literature review method is a distinctive form of research that generates new knowledge about the topic reviewed. It is a form of research that reviews, critiques, and synthesizes representative literature on a topic in an integrated way. Hence, literature review method is recommended. Literature was extensively searched for the key words and relevant publications were screened. Articles with intentional use of keywords were considered for review.

CUSTOMER PERCEPTIONS ABOUT CELEBRITY ENDORSEMENT

Customer perceptions about celebrity endorsement have been of big interest by researchers in past several years. The results of previous studies showed that the highest benefit of involving celebrities in advertising is to create exposure and attention from consumers. Particular

differences and similarities are present in the impact of celebrity endorsements and how consumers perceive them. While there is a positive impact of celebrity endorsements on attention and exposure of consumers, its connection to positive attitudes towards brands and purchase decision is less understandable (Biswas, Hussain, & O'Donnell, 2009). Consumers perceive that information coming from celebrity, especially famous spokesperson has more similarities with their lifestyle and interest in comparison to the unknown persons.(Erdogan et al., 2001). Both, theory and practice have proven that the use of celebrities in advertising is a good way for attracting attention of a public (Ohanian,1991).Schlecht (2003) analyzes the connection between consumer perceptions about celebrity endorsements and brands, by applying a theory of widely accepted principles of how consumers' brand attitudes and thoughts can be positively influenced. She found in her study that celebrity endorsement strategies can under the right circumstances indeed justify the high costs associated with advertising.

Some people are building image of themselves from brand associations based on celebrity endorsement; they do that in a manner that is consistent with self-related needs, such as self-enhancement. For example, a consumer may imagine about himself to be a sportsman and nice dressed, like David Beckham, who is now endorsing many brands, including Adidas and Police sunglasses. (Escalas&Bettman (2003).Silvera&Austad (2004) highlight characteristics of advertisements that make them effective in delivering messages. The finding propose that endorsement advertising effectiveness can be strongly influenced by consumers' perceptions concerning whether the endorser truly likes the product. This research also suggests that advertisers should put more effort not only into selecting right endorsers, but also into providing strong arguments and explanations for which reason endorsers actually do like the products they endorse.

Hunter &Davidsson (2008) explore impact of negative information about celebrity to consumer perception about brand. The conclusion is that negative information might leads to negative attitude towards the brand. But, that is not case if company is led by celebrity.

CELEBRITY ENDORSEMENT AND CONSUMER'S BUYING BEHAVIOR

Relationship between celebrity endorsements and brands was examined by Mukherjee (2009), as well as the impact of celebrity endorsement on consumer's buying behavior. In his opinion, celebrity endorsement is always a two-edged sword and it has a number of positives—if properly matched it can do miracle for the company, and if not it may produce a very negative consequences for the brand and company at all. Gan (2006) investigates the Chinese consumer's behaviors toward celebrity and non-celebrity advertisement. The results show that Chinese consumers like celebrity who has more professional career skills, appearances, communication skills etc.

Hunter & Davidsson (2008) explore impact of negative information about celebrity to consumer perception about brand. Conclusion is that negative information might leads to negative attitude towards the brand. But, that is not case if company is led by celebrity. Various studies have uncovered that celebrities get more attention and recall than any other endorsers (Kulkarni and Gaulkar, 2005; Joshi and Ahluwalia, 2008; Matrade Chennai, 2005). Celebrities are quite effective in generating positive attitude to brands. Celebrities are more powerful in connecting consumers to brands compared to other types of endorsers. (Choi and Rifon, 2007; Atkin and Block, 1983). Liu and Brook (2011) explained that the attractiveness of the endorser affects the Chinese consumers purchase intention.

In India, celebrity power can rightly be assessed by their successful endorsements. Here, celebrities like film stars and cricketers have not only been successful in gathering huge public attention, but also in increasing sales volume. For example, Cadbury used Amitabh Bachchan to promote the brand when it went through a bad phase in India. Soon the ad recreated people's love for the brand and increased Cadbury's sale. (Joshi and Ahluwalia, 2008; Matrade Chennai, 2005).

Aamir Khan is used by Titan to communicate the message that Titan watches are as trustworthy as the actor is for his films. This celebrity endorsement has also been quite effective in influencing consumers buying decision. Similarly, various endorsements by Sharukh Khan,

Sachin Tendulkar and others have been found to be successful in affecting consumers' buying decision. (Joshi and Ahluwalia, 2008).

CELEBRITY ENDORSEMENT AND ITS IMPORTANCE

The use of celebrity endorser in advertising is wide spread – as much as 20 percent of all advertising use some type of celebrity endorser. Friedman et al. (1977) found that celebrities are featured in 15 percent of the prime-time television commercials. In the United States, it was reported that about 20% of all television commercials feature a famous person, and about 10% of the dollars spent on television advertising are used in celebrity endorsement advertisements (Advertising Age, 1987; Sherman, 1985). Thus, celebrity endorsement has become a prevalent form of advertising. Various researches have been conducted which explain the importance of using sports celebrity such as the research conducted by McCracken (1989) who explained the transference of meanings from the celebrity to the product and further onwards from the product to the end consumer. The transference of meaning could be both positive such as the announcements of using celebrities have had positive results on stock (Agrawal & Kamakura, 1995) or negative for instance Amos and Holmes (2008) suggest that any negative information related to the celebrity could have negative consequences for the campaign.

Marketers invest significant dollars in securing the promotional support of well-known individuals (Till, 1998). Products which are ultimately sold by retailers are endorsed more frequently by celebrities in certain sports than others (Lear et al., 2009). Saleem (2007) highlighted that a celebrity endorsement is becoming a very important part of marketing structure. She proposes that marketers should use celebrities in ads when there is no or very little product differentiation. But, when marketers have to focus on a more diverse market, multiple celebrities endorsement (more than one celebrity in a single advertisement) could be an answer. Some marketers choose to utilize multiple celebrities to promote their Brands.

CELEBRITY AND BRAND MATCH

Fit between the endorsed product and various celebrities is a key factor for using multiple celebrity endorser in advertising (Hsu et al., 2002). The importance of fit between the endorser and the endorsed product has been described as the "Match-up Hypothesis", research has focused

on physical attraction (Till and Busler 1998). Another study indicates the impact of multiple product endorsements by the same celebrity which indicates that the overall attitude towards the brand becomes less favorable and the credibility and trustworthiness of the celebrity also declines. (Tripp, Jensen, & Carlson, 1994). Koernig & Boyd (2009) take an example of famous athlete and unknown model in order to examine the roles of product endorser ‘match’ with celebrity and non-celebrity endorsers. The results show that a famous athlete is more effective when endorsing a sport brand than a non-sport brand. In her paper Rafique, (2012) investigated the customer perceptions about celebrity endorsements with respect to their physical attractiveness, source credibility and congruence on customers’ brand perception and purchase intention.

Ohanian (1990) divides the credibility of the endorser into three constructs: namely attractiveness, trustworthiness and expertise. According to the source credibility model (Lafferty et al, 2002) the message effectiveness is dependent on the source credibility which is defined as the source attractiveness, expertise and trustworthiness (Lafferty, 2002). Furthermore, Cohen and Golden (1972) and Kahle and Homer (1985) suggest the importance of physical attractiveness of the source on creating the desired level of persuasion. Liu and Brook (2011) explained that the attractiveness of the endorser affects the Chinese consumers purchase intention. Furthermore, Spry et al. (2011) claim that even a reasonably low credibility endorser has helped in brand building. Various researches were conducted indicating the impact of attractiveness of sports celebrity on the attitude of people (Caballero and Pride, 1984; Chaiken, 1979; Mills & Harvey, 1972). Kamins (1990) found that for an attractiveness related product, the attractiveness of the celebrity has greater impact as compared to non-attractive on the product.

CONCLUSION

Celebrity endorsement is not a new phenomenon, and it has been used by corporates since many years. It is also known fact that well-known celebrities do better, and it is important that advertisers facilitate recognition in ads of any celebrities they use. It is also important to know the characteristics of target audience members and their perceptions of the both the brand and celebrity. However, advertisers need to understand not only how to choose celebrities, but also how to use them in advertising. The celebrities used in advertising, not only evoke positive

reactions, but help focus attention on the brand in the advertisement. An endorser's image can fail to mesh with the intended image of a product or fail to appeal to the taste of the target audience (McCracken, 1989). Celebrities may lose popularity or may disappear from the media spotlight (Ziegel, 1983). Celebrities can negatively influence consumers' perceptions of endorser credibility and attitude toward the ad when they endorse too many products, thereby becoming overexposed (Tripp, Jensen, and Carlson 1994). Hence, it is very essential to plan the advertising strategy to provide a guide for the advertising activities.

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