DISSENTATION REPORT:

CELEBRITY ENDORSEMENTS
AND BRAND BUILDING

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EXECUTIVE SUMMARY

India is a country where people love to live in dreams. They worship celebrities. celebrities which might be cricket stars like Sachin Tendulkar, Mahinder Singh Dhoni or Film Stars like Shah Rukh Khan or John Ebrahim. They treat them as God. Marketers use this very preposition so as to influence their target customers may be existing or potential ones.
For this they rope in these celebrities and give them whopping amount of money. They believe that by doing this they can associate their products with their target customers. This is called celebrity endorsement.

Aristotle said, “Beauty is a greater recommendation than any letter of introduction.” This could aptly summarize why innumerable products are endorsed by celebrities, with or without a significant need or benefit from the same.

Similarly every product has an image. The consumer tries to consume a brand which has the maximum fit with his/her own personality/image. The celebrity endorser fits in between these two interactions, where he tries to bring the image of the product closer to the expectation of the consumer, by transferring some of the cultural meanings residing in his image to the product.

Now, despite the potential benefits derived from celebrity endorsements, they increase a marketer’s risk manifolds and should be treated with full attention and aptitude. A brand should be cautious when employing celebrities to ensure promise believability and delivery of the intended effect. The growing importance of mythical characters as celebrities and their sway over the target segments are ample proof of public demand for icons to look up to. As the celebrities traverse from a mere commercial presence to public welfare message endorsements, a whole new dimension is added to this process and helps us in achieving a holistic view of the impact which celebrities generate in every sphere and segment through their well-versed endorsements.
INTRODUCTION

Everyday consumers are exposed to thousands of voices and images in magazines, newspapers, and on billboards, websites, radio and television. Every brand attempts to steal at least a fraction of a person’s time to inform him or her of the amazing and different attributes of the product at hand. The challenge of the marketer is to find a hook that will hold the subject’s attention. In helping to achieve this, use of celebrity endorsers is a widely used marketing strategy.

In this modern age, people tend to ignore all commercials and advertisements while flipping through the magazines and newspapers or viewing TV. But even then, the glamour of a celebrity seldom goes unnoticed. Thus, celebrity endorsement in advertisement and its impact on the overall brand is of great significance. In this process, the companies hire celebrities from a particular field to feature in its advertisement campaigns. The promotional features and images of the product are matched with the celebrity image, which tends to persuade a consumer to fix up his choice from a variety of brands. Although this sounds pretty simple, but the design of such campaigns and the subsequent success in achieving the desired result calls for an in-depth understanding of the product, the brand objective, choice of a celebrity, associating the celebrity with the brand, and a framework for measuring the effectiveness.

Companies invest large sums of money to align their brands and themselves with endorsers. Such endorsers are seen as dynamic with both attractive and likeable qualities and companies plan that these qualities are transferred to products via marcom activities. Furthermore, because of their fame, celebrities serve not only to create and maintain attention but also to achieve high recall rates for marcom messages in today’s highly cluttered environments.

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Indian advertising started with the hawkers who used to call out their wares right from the days when cities and markets first began. With this evolved a strategy that tried to benefit from the emotional attachment of the admirers or the fans of the celebrities; in the form of celebrity endorsement.

In the report, I have focused on the impact of celebrity endorsement on the overall process of brand building and also tried to define: how to make celebrity endorsement a win-win situation for both the brand and the brand-endorser. “Brand” is the most valuable asset of any firm.

The general belief among advertisers is that brand communication messages delivered by celebrities and famous personalities generate a higher appeal, attention and recall than those executed by non-celebrities. The quick message-reach and impact are all too essential in today’s highly competitive environment.

A brand should be cautious when employing celebrities to ensure promise, believability and delivery of the intended effect. As the celebrities traverse from a mere commercial presence to public welfare message endorsements, a whole new dimension is added to this process and helps us in achieving a holistic view of the impact which celebrities generate in every sphere and segment through their well-versed endorsements.

Celebrities have also been in demand having succeeded in being effective by rising above the clutter & grabbing the attention and focus of the consumer. They also succeed in creating an aspiration in the minds of the consumer to acquire what their favorite celebrity endorses.
CRITICAL REVIEW OF THE LITERATURE

Branding & Celebrity Endorsement

Today, use of celebrities as part of marketing communication strategy is fairly common practice for major firms in supporting corporate or brand imagery.

Definition Of A Brand

Jack Welch, the former CEO of General Electric, once said, “Our most valuable assets are our intangible assets.” The intangible asset he was referring to is a brand. The Dictionary of Business & Management defines a brand as: “a name, term, sign, symbol, or design, or a combination of them, intended to identify goods or services of one seller or a group of sellers and to differentiate them from those of competitor”.

Definition of a Celebrity

Per say, a dictionary meaning of this word is “a famous person”. A person who has excelled in his / her field of action or activity. In our day to day activity, we perform many acts, may at home, at work place, on field in sports, in social life. But these acts may be daily routine or just "acts" per say giving no extra-ordinary results, not noticed by anybody surrounding, and not taken into notice by Media.

But if a person acts or performs something which gives spectacular results is noticed by masses. That person has "done something" special that we and masses can not do. He is regarded as a special person with some "extra" given by that "Almighty" above. We start feeling that he/she is great. We start celebrating his/her all acts which produce success. If the success rate for that person is very high to "deliver" same results, he becomes a "CELEBRITY". It may be in field of sports, cinema, theatre, social life, politics, and science anything but something with some special results.
But by all means these acts should be with good cause, positive results, morally good and acceptable results. Eg. A bandit queen of Chambal valley was very famous, but was terror before her surrender to police. But she never becomes celebrity. But an actress Ms Seema Biswas who acted in film on "Bandit Queen" on life of that bandit, became very famous and a Celebrity.

A celebrity is perceived as god by masses. They touch their feet, create idols and worship, garland their photographs, perform "Yagnyas" for their idols performance, wait for their "Darshan" in hot sun or heavy rains for hours together, follow fashions of them - wear similar clothes or have similar hair style as that of celebrity, and on wrongside even commit suicide if celebrity FAILS to deliver results.

They have tremendous mass followings. They pull crowds with their presence only. If it is understood that Amitabh Bachchan is coming for shooting a film, to a particular location on a particular day, then there is big commotion in that area.

Celebrities are people who enjoy specific public recognition by a large number of certain groups of people. They have some characteristic attributes like attractiveness, extraordinary lifestyle or special skills that are not commonly observed. Thus, it can be said that within a society, celebrities generally differ from the common people and enjoy a high degree of public awareness.

According to Friedman and Friedman, 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”. Compared to other endorser types, famous people always attach a greater degree of attention, recall and loyalty.

In this age of intense competition, where capturing a position in the consumers’ mind space is extremely tough, celebrity endorsements give an extra edge to the companies for holding the viewers’ attention. Celebrities can catalyze brand acceptance and provide the enormous momentum that brands require by endorsing the intrinsic value to the brand.
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Like

a.) Actors (e.g., Amitabh Bachchan, Shahrukh Khan, Aishwarya Rai,, Preity Zinta, Aamir Khan and Pierce Brosnan).

b.) Models (e.g., Mallaika Arora, Milind Soman, etc),

c.) Television Personalities (Husain, Smriti Irani),

d.) Sports figures (e.g., Sachin Tendulkar, Sania Mirza, Anna Kournikova, Michael Schumacher, Tiger Woods, etc),

e.) Entertainers (e.g., Cyrus Broacha, Oprah Winfrey,),

f.) Pop-stars (e.g., Madonna, Shakira).

But also for less obvious groups like businessmen (e.g., Vijay Mallya, Bill Gates) or politicians. Celebrities appear in public in different ways. First, they appear in public when fulfilling their profession, e.g., Vishwanathan Anand, who plays chess in front of an audience.

Furthermore, celebrities appear in public by attending special celebrity events, e.g., award ceremonies, inaugurations or world premieres of movies. In addition, they are present in news, fashion magazines, and tabloids, which provide second source information on events and the ‘private life’ of celebrities through mass-media channels (e.g., Smriti Irani being regularly featured in various publications). Last but not least, celebrities act as spokes-people in advertising to promote products and services, which is referred to celebrity endorsement.

WHAT IS PRODUCT ENDORSEMENT?

A product endorsement is a form of testimonial from someone which indicates that they like or approve of a product. Commonly, product endorsements are solicited from people who are socially prominent, allowing companies to advertise their products with statements like “as used by such-and-such an actress,” or “the official product of company/event X.” It's hard to miss a
product endorsement on product packaging and in advertisements; most companies keep their endorsements front and center so that they are always in the public eye.

The concept of the product endorsement is quite ancient. In England, for example, several companies have been advertising themselves as “by appointment to the Queen” for hundreds of years, indicating that they enjoy the patronage of the British royal family. Consumers are often seduced by the idea of purchasing a product which is endorsed by someone wealthy or famous, as though by buying the product, the consumer also becomes affiliated with the person who endorses it.

Modern product endorsements can come with contracts worth substantial amounts of money. For example, many sports stars agree to participate in product endorsement campaigns with the understanding that the company will compensate them for the trouble; some stars donate the proceeds to charities they support, using the product endorsement as a public relations campaign. In exchange for an endorsement contract, someone may agree to use the product publicly whenever possible, and they may be restricted from using products made by a competitor.

A product endorsement doesn't necessarily mean that a product is good. It just means that the company has managed to work its public relations connections to get a big name associated with it.

Some endorsements take the form of written testimonials, where people write about how the product changed their lives. Historically, such testimonials were often printed on the product packaging directly; modern testimonials are more commonly included in advertising campaigns, with excerpts only on the packaging. Many companies also use photographs of famous people on their products to create a visual connection between the endorser and the product, which is why sports stars appear on various sports merchandise.
WHAT IS CELEBRITY ENDORSEMENT?

The use of celebrities in order to increase the sales and/or the recall value of a brand is called celebrity endorsement.

The late '80s saw the beginning of celebrity endorsements in advertising in India. Hindi film and TV stars as well as sportspersons began encroaching on a territory that was, until then, the exclusive domain of models. There was a spurt of advertising, featuring stars like Tabassum (Prestige pressure cookers), Jalal Agha (Pan Parag), Kapil Dev (Palmolive Shaving Cream) and Sunil Gavaskar (Dinesh Sutings). Of course, probably the first ad to cash in on star power in a strategic, long-term, mission statement kind of way was for Lux soap, a brand which has, perhaps as a result of this, been among the top three in the country for much of its lifetime.

Endorsements by celebrities have started since a long time. The very fact that their use has continued for so long is proof enough of its immense advantages, but they have several disadvantages too. When it comes to celebrity endorsement, the first brand that comes to the Indian mind is that of Lux, the Beauty Bar of the Stars. Since its inception, Lux the brand has grown positioning itself thus. However, recently Lux has tried to change its positioning from being a woman’s soap to being soap for men as well. Sticking to its strategy of using celebrities to appeal to its target audience, this time around it has used Shah Rukh Khan to endorse Lux. But this time the response has been confusing.

One of the first sports endorsements in India was when Farokh Engineer became the first Indian Cricketers to model for Brylcream The Indian cricket teams now earns roughly Rs. 100 crore through endorsements. There was a spurt of advertising, featuring stars like tabassum (Prestige Pressure cookers). Jalal Agha (Pan Parag).Kapil Dev (Palmolive Shaving cream) and Sunil Gavaskar (Dinesh Sutings)
RISE OF CELEBRITY CULTURE

The modern mass media has increased the exposure and power of celebrity. Often, celebrity carries with it immense social capitals that is highly sought after by some individuals. High paying jobs and other social perks unavailable to most people are readily available to celebrities, even for work not connected to the talents or accomplishment that made them famous.

For example, a retired athlete might receive high "speaking fees" or compensation for public appearances, despite his talent having been sports. Often, celebrities cannot escape the public eye & risk being followed by fans. As well, child celebrities are notorious for having poor emotional health in adulthood, and often turn to drug and alcohol abuse when their fame fades.

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. Associating a brand with a top-notch celebrity can do more than perk up brand recall. It can create linkages with the stars appeal, thereby adding refreshing and new dimensions to the brand image.

In a world filled with faces, how many do you remember? Admittedly the ones that evoke some kind of feel in you, whether it’s humor, acceptance, appreciation or recognition. These are the faces you’d turn to look at, the ones that would stop you in your tracks. And that’s when you have more than just a face. You have personality.

“Personality that’s reflective of your brand and promises to take it that extra mile.”

As existing media get increasingly cluttered, the need to stand out has become paramount- and celebrities have proved to be the ideal way to ensure brand prominence. Synergizing personality with product and message can create an instant breakthrough. Result? Brand buzz. People begin to notice, opportunities come about. People want to be part of the brand.

“Touch it. Feel it. Experience it.”
‘Celebrities as brands’ is a concept-selling challenge, as the current notion of celebrity management is far from ideal – it’s perceived as a business that merely attaches celebrity to the brand to get that added advantage. However, the actual job is not mere brokerage --- it’s about selecting a celebrity whose characteristics’ are congruent with the brand image.

Using celebrities in advertising dates back to the late nineteenth century and this common advertising practice has drawn a considerable amount of academic and practical attention. Most academic investigations of celebrity endorsement have been contextualized in the realm of source credibility and attractiveness models, and suggest that celebrities exert their influence on consumer through perceived attributes such as expertise, trustworthiness, attractiveness, familiarity, and likeability.

Celebrities embody a collection of culturally relevant images, symbols, and values. As the images of the celebrity become associated with the products through endorsement, the meanings they attach to the product are transferred to consumer through and consumption. Therefore, the practice for celebrity endorsement should be closely related to the cultural context in which the images of celebrities are formed and individual celebrities are selected to be linked with particular products.

For advertising practitioners, employing an appropriate celebrity endorser to promote a product is important and difficult tasks. Familiarity, as well as the fit between celebrity and the product, as important factors for choosing the appropriate endorsers.

Other highly ranked decision factors include celebrity/target-audience congruence, costs of securing the celebrity, the celebrity’s risk of controversy, and the celebrity’s prior endorsement. As suggested by Erdogan, Baker, and Tagg (2001), the perceived importance and the actual use of endorser selection criteria may vary from culture to culture. Differences in the entertainment industry and the agency business, and more broadly, in the cultural environments are likely to influence the execution of the celebrity endorsement strategy across countries.

Arguing for standardized advertising across countries, some contend that consumer demands and tastes have become similar on a global scale (and that using celebrities with world wide recognition in advertising is an effective means of overcoming cultural difficulties. Others claim
that despite some observed convergence among consumer around world, fundamental values still remain divergent across cultures. Therefore, international advertisers cannot assume that the same advertising technique should be uniformly applied or that it will be equally effective in different countries.

Celebrity endorsements are very expensive. Therefore their use in an ad should be justified. In other words, the message strategy for a brand should strongly warrant the use a known face in an idea. Sadly, very often the celebrity is hired first and an idea is then weaved around his or her presence.

The important thing to remember is that putting a celebrity in an ad is not an idea in itself. Unfortunately, this is how most celebrities are being used in Indian advertising, where they just become a prop. Ideally, there should be an idea that makes the celebrity relevant to the product and the consumer.

A celebrity’s presence in the ad should be contextual. When Sachin Tendulkar declares, “Boost is the secret of my energy,” it doesn’t seem out of context. Internationally, Nike’s association with Michael Jordan is legendary and also logical.

Celebrity endorsements work best when the celebrity is not introducing the brand. When the product already has a strong identity and a USP that is well established, then a celebrity can come in and give the brand an added fillip and generate some more interest value. However, what is of paramount importance is to find a complete fit between the values of the brand and the values of the celebrity. One needs to create a unique situation or story that links the celebrity to the product.

**IS IT SMART TO USE CELEBRITY ENDORSEMENT FOR BRANDING?**

Stars, who are known to shape destinies, cast an enormous influence. No, we’re not talking about astrology here. We’re referring to the powerful effect of celebrities on destinies of brands. One approving nod from a famous face can translate into millions in brand sales. Perhaps that’s why
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the world over, companies have been using stars to endorse everything, from food to food chains, from soft and hard drinks to health drinks, from clothes and accessories to cars (and the tyres on which they run). Even political parties are awestruck by the charisma of stars. Such is the magnetism of celebrities in this country that in the recent general elections, major political parties fielded a record number of film stars and cricketers to contest from important constituencies around the country.

**CELEBRITY ENDORSEMENTS AS A STRATEGY**

Signing up stars for endorsements is a time-tested strategy and has been effectively used by some of the top brands in the world including Nike and Pepsi. In India too, HLL has used Hindi film stars to endorse their beauty soap Lux since the fifties. Vimal, Thums Up, Gwalior and Dinesh are some of the other brands that used star-appeal in the early days of mass advertising. And who can forget Kapil ‘Palmolive’ Dev?

Marketeres believe that star endorsements have several benefits, key among them being building credibility, fostering trust and drawing attention or any or all of which can translate into higher brand sales.

So how does one decide whether to put a celebrity in an ad? Ideally, this should be dictated by the communication idea. MG Parmeswaran, Executive Director of FCB Ulka says, “As advertising professionals, we recommend celebrity endorsements when the case is justified. There are many cases where you need to use the celebrity to break out of a category clutter. At times celebrity endorsement is used to build credibility to the brand offer.”

Most experts concur that, when used judiciously, celebrity endorsements can be an effective strategy. According to Mohammed Khan, Chairman of Enterprise Nexus, “Using a celebrity by itself is not a bad idea provided it is done intelligently.” And there are many examples of good and bad use of celebrities.

Take Amitabh Bachchan, who has been used by some companies like Parker Pens and ICICI Home Loans remarkably well while some others have been unable to exploit his Big B status too well. Shah Rukh Khan’s endorsement of Hyundai i10 too seems to have worked well.
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Parmeswaran adds, “We used cricketers like Rahul Dravid for Castrol in an attempt to break out of the clutter, as well as have an image rub off of ‘dependability’ on to the brand.”

Yet, there are some who don’t have much conviction in star endorsements. Adrian Mendonza, Executive VP and Creative Director of Rediffusion DY&R does not recommend celebrity endorsements because he thinks that to be really successful, a brand needs to have a strong identity of its own. It should ideally not piggyback on the identity of a celebrity and hope to achieve success. Mendonza adds, “I somehow get this feeling that not much effort is put in to think through an ad with a celebrity. Most times it seems like it is just the celebrity saying ‘I use this product, so why don’t you’ kind of thing and the ad agency thinks it has done its job.”

**CELEBRITY ENDORSEMENTS: KEY TO MARKETING SUCCESS**

When you tell people that a product/service can help them, they may or may not believe you. After all, you have a vested interest in selling your services.

But when celebrities say that the particular product/service has helped them, and it could help others, people tend to listen — and believe. After all, most people assume "he wouldn't say it if it weren't true."

As Marketing expert Patrick Bishop — co-author of "Money Tree Marketing: Innovative Secrets That Will Double Your Small-Business Profits in 90 Days or Less" — noted:

"When you get a celebrity to endorse your company or sign a licensing agreement, you benefit from customers' awareness of the property, [which] could include the perception of quality, educational value or a certain image."

After researching the impact of celebrity endorsements, Melissa St. James, a doctoral fellow and marketing instructor at The George Washington University concluded,
"Studies show that using celebrities can increase consumers' awareness of the ad, capture [their] attention and make ads more memorable" (quoted in "Celebrity Endorsements," by Kimiko L. Martinez, Entrepreneur's Start-Ups magazine, May 2001).

If you're not convinced yet of the effectiveness of celebrity endorsements, here's what Jonathan Gaines, president and CEO of top marketing firm DMS Strategies has to say:

"High-profile endorsements from athletes and celebrities will set you apart from your competitors, and you can become a contender in the playing field —a celebrity spokesperson can work for companies of all sizes."

"Many companies have had considerable success using celebrities as spokespersons, especially athletes," stated researchers Amy Dyson and Douglas Turco, in "The State of Celebrity Endorsement in Sport," for the Cyber-Journal of Sport Marketing. They found that, in 1995, U.S. companies paid more than $1 billion to 2,000 athletes for endorsement deals, and that sport endorsers were featured in 11% of all television advertisements that same year. "Research has indicated that customers are more likely to choose goods and services endorsed by celebrities than those without such endorsements," they concluded.

Their research shows that one of the advantages to celebrity-based marketing campaigns is that:

“Famous people hold the viewer's attention. In this era of sound-bytes and channel surfing, there is a demand for people's time and focus.”

Of course, any marketing material — even with a powerful celebrity endorsement — must be a combination of both education and sales.
CELEBRITY BRANDING AND ITS EFFECT ON CONSUMERS

It is a known fact that the best endorsements achieve an effective balance between the product (brand) and the celebrity. Giving a brand a 'face' is more than just a marketing strategy to increase sales or gain market share, it is a decision that can change the future of the brand forever.

Choice of the celebrity, hence, is of utmost importance and is usually done based on many different parameters - appeal, looks, popularity or even just a fantasy figure to endorse a brand.

In today's highly competitive markets, big brands are at logger-heads when it comes to products, each having a similar product to that of a rival. Where does one brand gain that competitive advantage - advertising, service, or promise of trust. Advertising seems to be the best platform where brands prefer to compete on - right from hiring the best advertising agencies to getting the biggest celebrities. What would be the formula to success then? Well, a good creative agency, a large enough promotional budget and a huge star to endorse your brand would definitely ensure in the minds of a brand management team a feeling of security, success and a triumph over the competitors brand.

The general belief among advertisers is that brand communication messages delivered by celebrities and famous personalities generate a higher appeal, attention and recall than those executed by non-celebrities. The quick message-reach and impact are all too essential in today's

The importance of a celebrity-brand match and the various roles played by them as brand-associates show the momentum this strategy has gained in the last decade or so. India is a country where people are star-struck by film stars, cricketers, politicians, and even criminals. Why? Populations of 1 billion and ticking, everyday people need something or someone to look up to. A sense of security, admiration, comfort, familiarity, and above all, someone they aspire to be at some hidden level in their lives. A clever marketer leverages this very celebrity appeal and successfully carries out his job by giving the brands what they want - profit, market share and even recall. But how much star power is too much? "Does Amitabh really use Tide," asked a 6 year old to her mother. Her mother laughs and says, "No way, just a gimmick." What does that do to the brand?
Now, despite the potential benefits derived from celebrity endorsements, they increase a marketer's risk and should be treated with full attention and aptitude. A brand should be cautious when employing celebrities to ensure promise believability and delivery of the intended effect. As the celebrities traverse from a mere commercial presence to public welfare message endorsements, a whole new dimension is added to this process and helps us in achieving a holistic view of the impact which celebrities generate in every sphere and segment through their well-versed endorsements.

The most important thing to remember is that putting a celebrity in an ad is not an idea in itself. Unfortunately, this is how most celebrities are being used in Indian advertising, where they just become a prop. Ideally, there should be an idea that makes the celebrity relevant to the product and the consumer. A celebrity's presence in the ad should be contextual.

Celebrity endorsement cannot guarantee fool-proof success. The celebrity endorsement strategy must be integrated with target market characteristics, and the other elements of the marketing mix such as product design, branding, packaging, and pricing. The message execution that will be mouthed by the celebrity must likewise be made clear and single-minded. This can be done by aligning the spirit of the brand to the product, or by using a celebrity because it ensures that people will notice you, and hopefully remember what the brand is saying.
It is also important to view the consumer in their social and cultural setting to further see how celebrity endorsements increase sales and impact brands over time. Celebrities usually form a very good example of a reference group appeal. This is particularly beneficial to a marketer and a brand who can cash in on the success of the star and, hence, push his brand. People who idolize their celebrities, hence, have a biased affinity to the brand their favorites endorse. As time passes on, they believe that they by adopting the brand that their celebrity endorses are becoming more like them. Celebrities can be used in four ways namely: testimonial, endorsement, actor and spokesperson.

Right now the current hot favorite in India is roping in celebrities for social causes like AIDS, polio etc. This has shown to be having a positive effect on the people. In India, Bollywood and sport personalities rule the mind-space and airwaves.
THE SCOPE OF A CELEBRITY ON THE INCUMBENT BRAND

Simply stating, a brand is a differentiated product and helps in identifying your product and making it stand out due to its name, design, style, symbol, color combination, or usually a mix of all these:

Before we can scrutinize the effects of celebrity endorsement on the overall brand, we have to ferret the implicit factors that act as sources of strong brand images or values:

- **Experience of Use:** This encapsulates familiarity and proven reliability.
- **User Associations:** Brands acquire images from the type of people who are seen using them. Images of prestige or success are imbibed when brands are associated with glamorous personalities.
• **Belief in Efficiency**: Ranking from consumer associations, newspaper editorials, etc.
• **Brand Appearance**: Design of brand offers clues to quality and affects preferences.
• **Manufacturer’s Name & Reputation**: A prominent brand name (Sony, Kellogg’s, Bajaj, Tata) transfers positive associations.

The celebrity’s role is the most explicit and profound in incarnating user associations among the above mentioned points. To comprehend this, let us analyze the multiplier effect formula for a successful brand: -

\[ S = E \times D \times AV \]  -- the multiplier effect

Where
- \( S \) is a Successful Brand
- \( E \) is an Effective Product
- \( D \) is Distinctive Identity
- \( AV \) is Added Values

The realm of the celebrity’s impact is confined to bestow a distinctive identity and provide \( AV \) to the brand; the celebrity does not have the power to improve or debilitate the efficiency and features of the core product. Thus, we are gradually approaching an evident proposition claiming, "The health of a brand can definitely be improved up to some extent by celebrity endorsement. But one has to remember that endorsing a celebrity is a means to an end and not an end in itself."

An appropriately used celebrity can prove to be a massively powerful tool that magnifies the effects of a campaign. But the aura of cautiousness should always be there. The fact to be emphasised is that celebrities alone do not guarantee success, as consumers nowadays understand advertising, know what advertising is, and how it works. People realize that celebrities are being paid a lot of money for endorsements and this knowledge leads them to think twice about celebrity endorsements.
**IS CELEBRITY ADVERTISING EFFECTIVE?**

What are the benefits of representing India in the national cricket team? It is an opportunity to compete with the best in the world and pitch one's talent against the best.

It is an opportunity to travel around the world. It is an opportunity to uphold national pride. And make good money from every match played.

But there is more, a ticket to modelling in the advertising world (and a future perhaps in Bollywood). Not surprisingly it's a very attractive profession. As advertisers pour crores of rupees every year into celebrity advertising.

Think of Sachin Tendulkar. He means Pepsi in soft drinks, Boost in malted beverages, MRF in tires, Fiat Palio in cars, TVS Victor in two-wheelers, Colgate Total in toothpastes, Britannia in biscuits, Visa in credit cards & Airtel in mobile services.

Clearly, an overload of brands and categories associated with one star.

In the advertising world, celebrity advertising is seen as a substitute for 'absence of ideas' -- and actually frowned upon. Yet it appears again and again.

The **reasons** are quite insightful.

A client hits upon celebrity as a solution when his agency is unable to present to him a viable, exciting solution for his communication/marketing problem. He then feels that the presence of a well-known face is an easy way out. It is rare that there is an idea on the table and client and agency mutually agree that the presence of a celebrity will actually lift the script. This is very similar to Bollywood blockbuster films where the cast is decided upon and the script is either written accordingly or re-engineered around the cast.
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Shahrukh Khan changed the fortune of Dish TV after he started endorsing it

There is no doubt that celebrity advertising has its benefits –

**The four Qs:**

**Quick saliency:** It gets cut through because of the star and his attention getting value. Nerolac has ensured high saliency for its brand with the inclusion of Amitabh Bachchan in its advertising.

**Quick connect:** There needs to be no insight but the communication connects because the star connects. Sachin Tendulkar & Shah Rukh Khan ensure an easy connect for Pepsi with the youth.

**Quick shorthand for brand values:** The right star can actually telegraph a brand message fast without elaborate story telling. Kapil Dev and Sachin Tendulkar seem to have done that successfully for Boost in the early '90s. And helped to differentiate it in the malted beverages market.
Quick means of brand differentiation: In a category where no brand is using a celebrity, the first that picks one up could use it to differentiate itself in the market. Boost did it in the malted beverage category.

And Preity Zinta does all the above four for Perk -- connecting with the youth and reinforcing the brand's youthful, spontaneous, energetic values.

In general celebrity endorsements are impelled by virtue of the following motives:

- Instant Brand Awareness and Recall.
- Celebrity values define, and refresh the brand image.
- Celebrities add new dimensions to the brand image.
- Instant credibility or aspiration PR coverage.
- Lack of ideas.

An appropriately used celebrity can prove to be a massively powerful tool that magnifies the effects of a campaign. But the aura of cautiousness should always be there. The fact to be emphasized is that celebrities alone do not guarantee success, as consumers nowadays understand advertising. They know what advertising is and how it works. People realize that celebrities are being paid a lot of money for endorsements and this knowledge makes them to think twice about celebrity endorsements.
Compatibility Of The Celebrity’s Persona With The Overall Brand Image

A celebrity is used to impart credibility and aspirational values to a brand, but the celebrity needs to match the product. A good brand campaign idea and an intrinsic link between the celebrity and the message are musts for a successful campaign. Celebrities are no doubt good at generating attention, recall and positive attitudes towards advertising provided that they are supporting a good idea and there is an explicit fit between them and the brand.

Certain parameters that ensure proper compatibility between the celebrity and brand image are

- Celebrity’s fit with the brand image.
- Celebrity—Target audience match
- Celebrity associated values.
- Costs of acquiring the celebrity.
- Celebrity—Product match.
- Celebrity controversy risk.
- Celebrity popularity.
- Celebrity availability.
- Celebrity physical attractiveness.
- Celebrity credibility.
- Celebrity prior endorsements.
- Whether celebrity is a brand user.
- Celebrity profession.

Fit with the Advertising Idea

Marketers now seek to adopt 360 degree brand awareness in which the brand sees no limits on the number of contact points possible with a target consumer. Advertising ideas, thus, revolve around this approach, and the celebrity endorsement decisions are made through these strategic motives.

One of the most successful celebrity endorsement campaign which reflects the fit between the brand and the 360 degree advertising fit is Fardeen Khan and Provogue. Provogue's
Celebrity Endorsements & Brand Building

Positioning in the apparel market is of a young, active, party-going, attention-grabbing brand and so is Fardeen Khan. The conjunction between the two has been immensely impactful and brand managers have utilised this endorsement through 360 degree reinforcement. Provogue Lounge and extensive phased insertions in print in selective publications reaching out to their target audience has made it as one of the highest recalled celebrity endorsement. Similarly, Richard Gere's recent endorsement for VISA in India has gained acclaim due to its innovativeness and consumer connect. Brand marketers say that research reveals that Richard Gere was the most popular face across the Asia Pacific region, and would also fit into the persona of the brand meeting their communication objective to enhance VISA's brand leadership and consumer preference, and the motive to continue the "All it Takes" empowerment platform featuring international celebrities.

Celebrity-Target Audience Match

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 connect with the target audience since mothers medicate their children with ORS. The inserial placement of the campaign in "Kyunki Saas Bhi Kabhi Bahu Thi" has won it an award from PR Week. Similarly, Irfan Pathan endorsing Hero Cycles has gained the brand immense recall and embarked through the positive association between the consumer and the brand.

Celebrity Values

Celebrity branding is all about the transfer of the value from the person to the product he endorses or stands for. There are two concerns here. The first is how long this could last. Can the person maintain his popularity (i.e., his performance or status ranking)? The lifecycle of celebrity popularity varies a lot. The second concern is his private life - personal integrity. If he is implicated in any kind of scandal, that would ruin the brand. "Who would want to use Michael Jackson to brand their product?" (brandchannel.com) Tabu endorsing Tetra Packed Milk, Shabana Azmi campaigning for AIDS Awareness,
Celebrity Endorsements & Brand Building

Amitabh Bachchan & Shahrukh Khan campaigning for Pulse Polio or Aishwarya Rai appearing in the Donate Eyes campaign are few examples, which reflect the transfer of celebrity values to the brand, creating an impact that generates recall.

**Costs of Acquiring the Celebrity**

Consequently, companies must have deep pockets to be able to afford the best available celebrities. Recently, a newspaper report showed how cola firms had gone beyond their advertising budgets to get the best celebrities. Small firms that use celebrities' services run greater risks if they invest large amounts. Although nobody is willing to say exactly how much celebrities get paid, industry sources say Sachin Tendulkar's price is believed to be between Rs. 2.0-2.5 crore per endorsement, and musician A. R. Rehman, who had signed up with Airtel, is believed to have picked up Rs. 1.75 crore. Film-star Hrithik Roshan was rumored to have picked up Rs. 2 crore for the Fly With Hrithik campaign to push Close-Up, and Shahrukh Khan's rate seems to be between Rs. 2.5-3.0 crore. Aishwarya Rai apparently picks up Rs. 1.25 crore for an endorsement and the Indian cricket captain Saurav Ganguly is believed to get between Rs. 90 lakh to Rs. 1.5 crore, while film-star Aamir Khan apparently makes Rs. 1.5 crore per endorsement.

**Celebrity Regional Appeal Factors**

R. Madhavan endorsing Pepsi in southern India or Sachin Tendulkar endorsing in India are few examples of how celebrities are chosen to reach out to target audiences for brands in regional markets.

Another interesting example would be of Steve Waugh campaigning for Tourism Australia in India since he was one of the popular celebrities from Australia and could carry the message of Australia as a tourist destination. Other celebrities like Kylie Minogue, Nicole Kidman from Australia can be prospective endorsers for Brand Australia but not in the region of India.
**Celebrity-Product Match**

Nikhil Chinnapa is the brand ambassador for MTV since both the celebrity and the brand are considered as friendly, young, mood-boosting, humourous and outspoken. MTV's brand personality overlaps Nikhil Chinnapa's image as a brand. Some more examples of compatible celebrity product match in which celebrity brand attributes get transferred to the brand and increases the brand equity is of Mallaika Arora & Freshizza from Pizza Hut, Govinda & Navratan Tel, Sanjay Dutt & Elf Oil, Sunny Deol & Lux Undergarments, Aishwarya Rai & Nakshatra, etc.

*VJ Nikhil*

www.mtvindia.com

**Nikhil Chinnapa is one the style icons ruling the hearts of youth**

**Celebrity Controversy Risk**

The perfect example here is of Salman Khan and the controversy in which he crushed a man to death with his Pajero when he was driving under the influence of alcohol. Also, any act on the part of the endorser that gives him a negative image among the audience and goes on to
affect the brands endorsed. The brand, in most instances, takes a bashing.

**Celebrity Popularity**

Celebrity Brand association like Garnier endorsed Tara Sharma & Simone Singh, Agni Diamonds with Riama Sen don't get much brand recall, and even if they do, its difficult to attribute it to the celebrities' endorsing the brand.
On the other hand, HPCL has had increased popularity and share of voice due to the endorsement of the brand through Sania Mirza.

**Celebrity Availability**

In case of various brands, there are situations in which they prefer to go without a brand face, since there is no brand-fit between the celebrities available and the brand. Also, due to multiple endorsements by certain celebrities, brands refuse to adopt celebrity endorsement since they fear dilution of the brand image.

**Celebrity Physical Attractiveness**

Bipasha Basu' physical attractiveness and her connect with the brand makes Levis Strauss's campaign through celebrity in India, John Abraham endorsing Wrangler and Yamaha are some examples which portray the celebrities' physical attractiveness that helps creating an impact.

**Celebrity Credibility**

The most important aspect and reason for celebrity endorsement is credibility. In a research carried out among 43 ad agencies and companies, most experts believed that the most important dimensions of credibility are trustworthiness and prowess or expertise with regard to the recommended product or service (Miciak and Shanklin, 2002). One of the most obvious reasons of Amitabh Bachchan endorsing huge number of brands is the credibility of the
celebrity and his recognition across consumers.
To cite 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. The campaign has won an award for the same.

**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. Not many people can
remember all the brands that a celebrity endorses and the chances of losing brand recall
increases if the celebrity endorses multiple brands. For example, in case of Sachin Tendulkar
people recall Pepsi, TVS Victor and MRF, but might not remember brands like Britannia and
Fiat. Similarly, for Amitabh Bachchan, consumers remember Cadbury, Pepsi, Parker Pens,
Pulse Polio and BPL. They might get confused in the endorsement of Nerolac or Asian
Paints. Thus, for multiple endorsements where the same celebrity endorses several brands, it
boils down to the strength of the brand and the advertising content.

**Whether Celebrity is a Brand User**

One of the strongest platforms to discuss this is through NGOs. Various celebrities endorse
NGOs and social causes since they believe in the social message that they need to convey to
the audience. One of the most successful campaigns has been executed by PETA in which
celebrities like Shilpa Shetty, Amisha Patel, Yana Gupta, Sheetal Malhar, Mahima
Choudhary claimed to believe in PETA's philosophy, and thereby endorse the brand.
On the other hand, while some would understand that Amitabh Bachchan would have never
used Navratan Tel, the target audience that the brands wants to reach out to will be ready to
believe that he used the oil and his endorsement thereby creates an impact.
Celebrity Endorsements & Brand Building

Successful Celebrity Endorsements for a Brand - An Indian Perspective

The latter part of the '80s saw the burgeoning of a new trend in India - brands started being endorsed by celebrities. Hindi film and TV stars as well as sports-persons were roped in to endorse prominent brands. Advertisements featuring stars like Tabassum (Prestige Pressure Cooker), Jalal Agha (Pan Parag), Kapil Dev (Palmolive Shaving Cream) and Sunil Gavaskar (Dinesh Suitings) became common. Of course, probably the first ad to cash in on star power in a strategic, long-term, mission statement kind of way was for Lux soap, a brand which has, perhaps as a result of this, been among the top three in the country for much of its life-time.

In recent times, we had the Shah Rukh-Santro campaign with the objective of creating awareness about an unknown Korean brand in the Indian market, Hyundai. The objective was to garner faster brand recognition, association and emotional unity with the target group. Star power in India can be gauged by the successful endorsement done by Sharukh for three brands- Pepsi, Clinic All Clear and Santro.

Similarly, when S. Kumar's used Hrithik Roshan, then the hottest advertising icon for their launch advertising for Tamarind, they reckoned they spent 40-50 per cent less on media due to the sheer impact of using Hrithik. Ad recall was as high as 70 per cent, and even the normally conservative trade got interested.

Confining to India, it would not be presumptuous to state that celebrity endorsements can positively effect the overall brand. We have numerous examples exemplifying this claim. A standard example here is Coke, which, till recently, internationally didn't use stars at all - in fact, India was a first for them. The result was a ubiquitously appealing Aamir cheekily stating 'thanda matlab coca cola'. The recall value for Nakshatra advertising is only due to the sensuous Aishwarya. The Parker brand of pen, which by itself commands equity, used Amitabh Bachchan to revitalize the brand in India. According to Pooja Jain, Director, Luxor Writing Instruments Ltd. (LWIL), post-Bachchan Parker's sales have increased by about 30 per cent.
India is one country which has always idolized the species of the celluloid world. Therefore, it makes tremendous sense for a brand to procure a celebrity for its endorsement. In India, there is an exponential potential for a celebrity endorsement to be perceived as genuinely relevant, thereby, motivating consumers to go in for the product - this would especially prove true if the endorser and the category are a natural lifestyle fit (sports-persons and foot-wear, Kapil-Sachin and Boost, film stars and beauty products, Katrina Kaif and Lux).

**Some Global Examples**

Globally, firms have been juxtaposing their brands and themselves with celebrity endorsers. Some successful ongoing global endorsements are as follows:

- Celebrity endorsements have been the bedrock of Pepsi's advertising. Over the years, Pepsi has used and continues to use a number of celebrities for general market and targeted advertising, including Wyclef Jean, and Busta Rhymes, who did a targeted campaign for their Mountain Dew product.
- Nike golf balls, since the company signed Tiger Woods in 1996, have seen a $50 million revenue growth. Nike's golf line grossed more than $250 million in annual sales. In 2000, he renegotiated a five-year contract estimated at $125 million.
- Other successful endorsements like Nike - Michael Jordan, Dunlop - John McEnroe, Adidas – David Beckham, and so on
- Venus Williams, tennis player and Wimbledon champion has signed a five-year $40 million contract with sportswear manufacturer Reebok International Inc.
CASE STUDY I: BRANDS ENDORSED BY DHONI

The young, handsome, self controlled, composed, autonomous cricket captain of Indian young brigade is one of the most famous images in Indian market. In India, cricket is religion and cricketers are placed among the gods. Dhoni is a brand in himself and an attractive choice for the marketers as a brand endorser.

Dhoni has been successfully used indifferent advertisement as a brand ambassador. Few of the brands that Dhoni is endorsed are, the famous Youngastan advertisement of Pepsi, Rebook’s ad of Your Move and funky ad of Lays with Saif Ali Khan.

BRANDS ENDORSED BY DHONI

1. PEPSI: YOUNGISTAN MERI JAAN

Pepsi has always tried to tap the young segment of India through their promotions. Beginning from the famous “Ahaa” series of ads to the “Yah Dil Mange More” to today’s “Youngistan Meri Jann”, Pepsi has always made ads to attract the youth. They have always chosen the young stars, may not be established, as a face of young India. So the main reason of using Dhoni is same in case of the latest Youngistan Meri Jann ads.

BRAND PERSONALITY:
1. The brand is vibrant, energetic.
2. Pepsi is an intelligent brand which attaches itself with fun and enjoyment.
3. It also shows its daring attitude, mischievous behavior and outgoing nature.
4. There is nothing opaque about the product and brand.
ENDORSER’S PERSONALITY

1. Dhoni is a young guy with a daring personality.
2. He is intelligent yet humble and full of life.
3. He is the leader of young team, fun loving young gentleman with transparent character.

Now, Pepsi has chosen Dhoni as they think…..

- **Celebrity’s fit with the brand image:** (5/5)
  As mentioned earlier, the virtue of Dhoni matches with the embedded traits of the soft drink. Either of the personalities, be it Dhoni’s or be it Pepsi’s, joins as two consecutive part of a jigsaw puzzle. So Dhoni is a perfect match for Pepsi’s brand image

- **Celebrity—Target audience match:** (5/5)
  Young generation of India love Dhoni, worship the man, salute his virtue and get thrilled to experience his presence. The young generation nowadays prefers to be like Dhoni if not Sachin. So Dhoni is a idle to the young generation of India and using Dhoni as a brand endorser is a master stroke by Pepsi.

- **Celebrity associated values:** (5/5)
  The value associated with Dhoni is very high. Dhoni’s attitude, his transparency, maturity acted as a magnet which attract not only the youth but also the older generation. So Dhoni’s presence in an advertisement creates a positive vibe for the product in the mind of consumer which force them to think about the endorsed product.

- **Costs of acquiring the celebrity:** (3/5)
  Cost to use Dhoni as the endorser of Pepsi is very high but as a multinational company it is insignificant if they consider the high brand awareness they are creating through Dhoni.
• **Celebrity controversy risk: (5/5)**
It is nil as Dhoni is known as good boy among the celebrities. So low controversy level increase the brand image of self as well as of Pepsi.

• **Celebrity popularity: (5/5)**
It is already mentioned that Dhoni is one of the most popular persons in India. One can find a man who might not know how our President Pratibha Patil looks like, but he must be a fan of Dhoni. This popularity reduce Pepsi’s half of job as an advertiser.

• **Celebrity physical attractiveness: (4/5)**
As a sportsman he possesses an athletic body. But in addition to that he is manly looking and with a macho image and a deadly smile, which makes him more attractive and appealing.

• **Celebrity credibility: (5/5)**
Celebrity is being judged that whether he has the right to appear in the advertisement and indirectly advice the consumers what to do and what not to. Dhoni is captain of Indian cricket team and not only that, he has proven his capability of performing under immense pressure several times which is obviously created creditworthiness.

• **Celebrity prior endorsements: (4/5)**
Prior advertisements with several companies has proven the spontaneity, acting ability and confidence in front of camera.

So as all the points that make an Ad popular and successful among the target audience is above average. So there is an ample amount of chances that the ad published in the print media, get the success.
2. REEBOK: YOUR MOVE

Reebok is the most visible and remarkable sports brand of all time. It makes innovative products which are making a lot of difference to consumers and athletes worldwide. As all the persons related to sports are its target market, Reebok has been using different sport celebrities for its promotion. Dhoni’s “YOUR MOVE” is a famous advertisement of Reebok.

BRAND PERSONALITY:
1. The brand is related to sports wear.
2. Reebok attach itself with an active & athletic image.
3. An sport person is uncomplete without Reebok’s products.

ENDORSER’S PERSONALITY:
1. Dhoni is a young sport personality.
2. He has a fit & healthy body as well as attitude..
3. He is the leader of Indian cricket team.
4. He has achieved a remarkable position in cricket in a young age.

Now, Reebok chose Dhoni for this advertisement for following reasons…..

• Celebrity’s fit with the brand image: (5/5)
As Dhoni is the captain of Indian cricket team, he leads the cricket in india these days. Reebok needed a sport personality who has a remarkable position in sports world as well as different image than predecessors. So it completely matches to fulfill the need of promotion of a brand having speciality in sport products.

• Celebrity—Target audience match: (5/5)
The target market of Reebok is sport persons. Its product’s price are also high because of high quality. As Dhoni is a benchmark for new entrants in sports, so he totally
match to the audience’s dreams. They will buy reebok products because they want to reach to the level of Dhoni.

**Celebrity associated values: (5/5)**
The value associated with Dhoni is very high. Because Dhoni’s image is of a big sport celebrity as well as youngest Indian cricket team’s captain. If audience thinks Reebok as Dhoni is, then it shows that Reebok has as much quality as Dhoni has. Dhoni’s leading capacity reflects Reebok leading behavior in quality and standards.

**Costs of acquiring the celebrity: (3/5)**
Cost to use Dhoni as the endorser is very high but for a multinational company it is insignificant. And when the profit to brand image of Reebok is measured because of Dhoni, then the cost seems very less in comparison of that profit.

**Celebrity controversy risk: (5/5)**
It is nil as Dhoni is known as good boy among the celebrities. So low controversy level increase the brand image of self as well as of Reebok.

**Celebrity popularity: (4/5)**
In India, cricket is most famous sport and it is played and watched by a big portion of whole population of india. As cricketers comes just after religion for Indians, so it can be easily assessed how much an Indian cricket team captain should matter to the people.

**Celebrity physical attractiveness: (5/5)**
As a sportsman he possesses an athlete type of physic. But in addition to that he is manly looking and with a macho image and a deadly smile, which makes him more attractive and appealing.

**Celebrity prior endorsements: (4/5)**
Dhoni’s prior endorsements show the positive results of his image to the brand. He looked confident and effective in different advertisements.

So from above analysis we see that the brand personality matches with the image of Dhoni. So people can easily relate the brand with Dhoni as he is a sports person and Reebok can easily get attached with it. There is an ample amount of chances that the ad published in the print media, get the success.
3. LAYS: USE YOUR TONGUE

Lay's chips are marketed as a division of Frito-Lay, a company owned by PepsiCo Inc. since 1965. Other brands in the Frito-Lay group include Kurkure, Ruffles, Cheetos. M S Dhoni joined FritoLay as ambassadors, Saif Ali Khan and Juhi Chawla also to launch a mega portfolio promotion - Chala Change Ka Chakkar - in February. The FritoLay Division of PepsiCo India Holdings, the makers of ready-to-eat snack brands Lays, Kurkure and Cheetos, has signed Mahendra Singh Dhoni as their new brand ambassador to launch a new promotion called 'Chala Change Ka Chakkar'. The new promotion would have the three stars swap one day of their lives with the contest winners giving the customers a unique never before experience. Deepika Warrier, director (marketing), PepsiCo India Holdings (FritoLay Division), said: "We are proud to welcome M S Dhoni into the FritoLay family. His pan-Indian appeal, confident, can-do attitude and responsible-yet-fun image can create a positive vibe in the mind of consumer. The ad shows Dhoni showing his tongue to the audience to confirm that the new variant of Lays is to satisfy the taste of consumers. The crazy ad created to gain the attention of the customer and to let the consumer aware about the new variant from the famous brand. **BRAND PERSONALITY:**

1. The brand is vibrant, energetic. It sometimes portrays itself as a crazy personality.
2. Lays is an intelligent brand which attaches itself with fun and enjoyment.
3. It also shows its daring attitude, mischievous behavior and outgoing nature.
4. The product i.e. the new variant is a new launch in the market. Hence people lack any idea about the new variant that Lays is launching.
ENDORSER’S PERSONALITY:
1. Dhoni signifies youth of India.
2. He is intelligent yet humble and full of life.
3. He is the leader of young team, fun loving young gentleman with transparent character.

TARGET AUDIENCE
Target segment is mainly youth section of India. The youth means the young generation of both urban and rural setting. The advertisement shows the battle between politicians with rural accent, which was meant to attract the rural segment also.
Now, fritolay has chosen Dhoni as they think…..

• Celebrity’s fit with the product image: (1/5)
The virtue of Dhoni does not match with the embedded traits of the brand. The Advertisement did not show the main strength of Dhoni, i.e. confidence, self motivation and performance. Dhoni’s character does not match with these types of crazy things as it matches with Saif or Srisanth. So it is a perfect mismatch with the product campaign and endorser’s personality.

• Celebrity—Target audience match: (3/5)
Young generation of India love Dhoni, worship the man, salute his virtue and get thrilled to experience his presence. The young generation nowadays prefers to be like Dhoni if not Sachin. He is also from small city of Jharkhand. So Dhoni is an idle to the young generation of India and using Dhoni as a brand endorser is a master stroke by Lays. But for the crazy youth or crazy people Dhoni may not be the perfect choice.

• Celebrity associated values: (4/5)
The value associated with Dhoni is very high. Dhoni’s attitude, his transparency, maturity acted as a magnet which attract not only the youth but also the older generation. So Dhoni’s presence in an advertisement creates a positive vive for the product in the mind of consumer which force them to think about the endorsed product. But the question with the ad campaign is whether the celebrity associated value is properly encashed in the campaign or not.
• **Costs of acquiring the celebrity: (3/5)**
Cost to use Dhoni as the endorser of Lays is very high but as a multinational company it is insignificant if they consider the huge amount of brand awareness they are creating through Dhoni.

• **Celebrity controversy risk: (5/5)**
It is nil as Dhoni is known as good boy among the celebrities. So low controversy level increase the brand image of self as well as of Pepsi.

• **Celebrity popularity: (4/5)**
It is already mentioned that Dhoni is one of the most popular person in India. One can find a man who might not know how our President Pratibha Patil looks like, but he must be a fan of Dhoni. This popularity reduce Lay’s half of job as an advertiser.

**Celebrity physical attractiveness: (4/5)**
As a sportsman he possesses an athletic body. But in addition to that he is manly looking and with a macho image and a deadly smile, which makes him more attractive and appealing.

• **Celebrity credibility: (5/5)**
Celebrity is being judged that whether he has the right to appear in the advertisement and indirectly advice the consumers what to do and what not to. Dhoni is captain of Indian cricket team and not only that, he has proven his capability of performing under immense pressure several times which is obviously created creditworthiness.

• **Celebrity prior endorsements: (1/5)**
Prior advertisements with several companies has proven his spontaneity, acting ability and confidence in front of camera. But he had never done any ad that does not consider his strength or quality but he really has to “act” to project himself as a funky and unorthodox personality, which affected his “performance” in the Ad.
So as all the points that make an Ad popular and successful among the target audience are, cumulatively, below average. So there are chances that the ad published in the print media, may not get the success.
CASE STUDY II: BRAND IDENTITY PRISM OF ADIDAS AND NIKE

BRAND IDENTITY PRISM OF ADIDAS

Picture of Sender

Physique
Sports and fitness

Personality
Traditional, conservative, collective

Relationship
Quality and heritage

Culture
European, Traditional

Reflection
True sportsmanship, A good team player, Strong work ethic

Self Image
Relates more to competing than to winning

Picture of Receiver
BRAND IDENTITY PRISM OF NIKE

- Physique
  - Sports and fitness

- Personality
  - Like Jordan, Woods...

- Relationship
  - Sponsorship, ethics

- Culture
  - American, Just do it!

- Reflection
  - Aggressive, provocation, in-your-face

- Self Image
  - Cool, I am an athlete

- Picture of Sender

- Picture of Receiver
COMPARATIVE ANALYSIS OF ADIDAS & NIKE:

- To create brand awareness both companies have been using celebrity endorsement strategies in their brand-building programs.

- What differs is that Adidas focuses on sponsorship of teams and events e.g. national teams and big sport events like the Olympic Games and different World Championship events. This helps them to create awareness with help from different types of media.

- In contrast Nike has their focus on individuals like M. Jordan and T. Woods and the stars success stories.

- Nike centered their brand equity model on the platforms, the endorsement focus strategy, creating a dominant media presence, development of Flagship stores, Nike Town and sub-branding.

- The Adidas strategies were based on endorsement focus strategy, advertising, sponsorship programs focusing on major global events, sports associations, and teams, and sub-brands.

- About the advertising strategy, Nike’s advertising strategy was to create dominant presence in media. Nike created media presence in several trend setting United States cities. TV ads linking Nike to a city were used, but the real drivers were huge oversized billboards on buildings that blanketed cities with messages featuring key Nike-sponsored athletes, not products.

- Adidas took up the competition with Nike through raising their advertising budget to a level that made it possible to compete with Nike on the same conditions and the same strength as Nike did to capture the consumer interest.

- Adidas did not just spend more money, they made an impact with brilliant executions. They made TV and other advertising campaigns. The company communicated their
heritage of innovation, technology and big success stories with personalities like Mohammad Ali & David Beckham.

- Adidas tried to spread meanings like “We know then- we know now” and “There is nothing between you and success, so exceed your own expectations and limitations” and “Earn it”

- The success was obvious and after hard work and striving toward a top position in the industry Adidas was back in business.

- Nike’s third strategy was to develop flagship stores, Nike Town shops in bigger cities, first national, and then abroad.

- Nike was the first company to establish flagship stores and it turned out to be a sensation.

- Adidas choice was to experiment with sport events, with which they made great success. Examples of that is the Adidas Streetball Challenge a local three-person team basketball tournament, this event started out as a trial in Berlin in the beginning of the 1990s as a one time occasion. In the mid 1990s it had become a huge sport event with about 5,000 participants all over the bigger cities in Europe.

- In the finals in Germany it attracted 3,200 players and 40,000 spectators. Adidas made hereby a brand-building success.

- The Nike customer associated the Nike brand with words like sports, attitudes and lifestyle. Reasons for that is one can relate to or identify one self to Nike’s marketing campaigns like “Just do it” and the companies front athletes like Michael Jordan and Tiger Woods. For Adidas, consumers found the brand very trendy, modern and cool.

- Adidas introduced a sub-brand in 1990 to serve the high-end products for all categories of shoes and apparel. The “Equipment” sub-brand would represent the best, whatever the product was.

- The low-end products, for the “normal consumer” still have a high technology and level of innovation. This strategy made the Adidas brand take on a different meaning; it still meant participation, emotion and performance.
• The success strategy for Adidas was so successful that Nike copied their idea and introduced their own line, the Alpha line, based on the same idea

• Nike advanced from $1 billion dollars in 1986 to $9.9 billion in 2002, Adidas advanced from $1.7 billion in 1992 to $4.8 billion in 1998

• According to sales figures for the both companies, it seems that both Nike and Adidas companies have succeeded to create a brand loyal customer who perceives the Nike and Adidas products as top quality.

CELEBRITY ENDORSEMENT: FACTORS INVOLVED

There are several factors to consider before resorting to celebrity endorsement. There is no single formula to win in the world of marketing. A company must analyze the prospect of endorsement from 360 degrees, prior to product promotion.

Price vs. Profit

The most important issue is that of return on investment (ROI). Companies need to perform a cost-benefit analysis prior to endorsement. The process of gauging the effectiveness of endorsement on the overall brand is but difficult. The companies expect to bring, in the long run, future sales, revenues and profit from the present investments on celebrity endorsement. Celebrity endorsement is an expensive means of brand promotion and the price burden almost always shifts on to the consumers; if not, then it narrows the companies’ profit.

Multiple Brand Endorsement vs. Multiple Celebrity Endorsement

In the advertising landscape, we find either a celebrity endorsing multiple brands or multiple celebrities being used to endorse a single brand.

Sachin Tendulkar, for example, in 2002 endorsed 12 brands (including Pepsi, Boost, Colgate Total, Gillette, Britannia Tiger, Fiat Palio, TVS Victor, Fiat Sienna, MRF, Adidas, Visa Cards
and Home Trade). Tripp et al, says that the endorsement of as many as four products negatively influences the celebrity spokesperson’s credibility and likeability.

**Multiple Brand Endorsement (Shah Rukh Khan)**

Also, the use of multiple celebrities to endorse a brand may hinder the meaning transfer process, and thus, lead to confusion among the consumers.

**Multiple Celebrity Endorsement (Adidas & Hyundai Santro)**
Kinds of Celebrity - Their Impact on Brands

(1) Product Placements

While the movie 'Taal' brandished Coke bottles.

(2) Celebrities Co-Owning the Brand

Madhuri Dixit and Emami 'Beauty secrets by Madhuri' range

(3) Fictional Heroes

Shaktimaan has sold Parle-G, and Popeye single-handedly revived the consumption of spinach in the US.

(4) No More but Still Celebrities

Campaigns created around Dhirubhai Ambani was the 'Kar lo duniya muthi mein' campaign for Reliance.

(5) Page 3 Celebrities

(6) Celebrities for a Cause

The Pulse Polio campaign being coordinated by UNICEF for the Ministry of Health and Family Welfare had Amitabh Bachchan and Sachin Tendulkar

(7) Spoofing

Mirinda spoofed the Hutch puppy (a celebrity in its own right).

(8) Mascots

Ronald McDonald, the Amul Girl

(9) Products endorsed according to gender
John Abraham lends his rugged image to Yamaha bikes while Priety Zinta lends her cute dimples to peddle Scooty.

(10) **Celebrities Lending their Name to Brands**

Sharukh Khan, Amitabh Bachchan and Rekha have perfumes named after them

(11) **Company Owners Being Celebrities**

Vijay Mallaya and Richard Branson who are walking talking celebrities and endorse their own brands through their extravagance, their flamboyant lifestyle

(12) **Political Leaders**

The 'India Shining' campaign from the BJP and the 'Congress ka haath aam aadmi ke saath' campaign from the Congress with Vajpayee and Sonia Gandhi lending their faces

(13) **Using a Social Proposition Built Within the Brand**

The Surf campaign done by Revathy and Shabana Azmi (in the south and north respectively) which stressed on the prudent usage of valuable water was a social proposition cleverly interwoven in the brand.

(14) **Duration of Usage - Promotional or Long Term Strategy**

Short-term example is the Rani Mukherjee campaign for Bata which is believed to have helped boost sales for the ladie's footwear brand, Sundrop, by a whopping 500 per cent. The same Rani Mukherjee has a longer association with Fanta and Munch.
(15) **Stealth Advertising**

Revlon launched an online marketing campaign targeting female customers via chat rooms talking about who Revlon's new face would be. Consequently the announcement of Halle Berry as Revlon's new face was met with great anticipation.

(16) **Foreign Celebrities**

Jackie Chan doing a Discover commercial or a Boris Becker doing a Siyaram commercial

(17) **Unintentional Celebrity Endorsements**

The year before the late Princess Diana bought an Audi, they sold just about five hundred pieces in the UK. The following year sales figures were close to ten thousand mark. John Abraham riding Hayabusa in the movie ‘Dhoom’ boosted the sales of sports bikes in India.
Objectives of celebrity endorsement

Defining the objectives of the advertisements is the first step. In general, there are four major objectives for any advertisement. Note that not all advertisements need to have all the objectives.

- **Establish the product need**
  Establishing a need for a product or a product category is the necessary first step. 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)

- **Create Brand Awareness**
  Once the need for a product is established, customers must be able to associate the brand with the product category. For example iPod is strongly associated with portable MP3 players, Nike with sports shoes etc..

  A classic example of this is Nike’s use of Michael Jordan advertising for Nike. This advertisement instantly created a strong association of Nike with basketball shoes.

- **Set customer expectations**
  Brand value comes from the customers experience with the product. If the product meets or beats his expectations, then a positive brand image is created, else a negative brand image is created. Therefore it is essential to set the customer expectations accordingly.
This is most common in established consumer products - Beauty products, household cleaning products, food products etc.

- *Create a purchase intention*
  
  These are marketing promotion advertisements - Buy one, get one free, or get additional discounts if you buy within a particular date etc.. The sole purpose of such communication messages is to encourage customers to buy immediately or within a short period after seeing.

  Use of celebrity endorsements to create a purchase intention has been very limited. This is mainly because such advertisements adversely affect the personality brand value of the celebrity. Being associated with a discount deal is not favorable image for the celebrity and the customer.

### The argument for Celebrity Endorsement

Brands have been leveraging celebrity appeal for a long time. Across categories, whether in products or services, more and more brands are banking on the mass appeal of celebrities. As soon as a new face ascends the popularity charts, advertisers queue up to have it splashed all over. Witness the spectacular rise of Sania Mirza and Irfan Pathan in endorsements in a matter of a few months. The accruement of celebrity endorsements can be justified by the following advantages that are bestowed on the overall brand:

- **Establishment of Credibility**: Approval of a brand by a star fosters a sense of trust for that brand among the target audience- this is especially true in case of new products. We had the Shah Rukh-Santro campaign. At launch, Shah Rukh Khan endorsed Santro and this ensured that brand awareness was created in a market, which did not even know the brand.

- **Ensured Attention**: Celebrities ensure attention of the target group by breaking the clutter of advertisements and making the ad and the brand more noticeable.
• **PR coverage:** is another reason for using celebrities. Managers perceive celebrities as topical, which create high PR coverage. A good example of integrated celebrity campaigns is one of the World’s leading pop groups, the Spice Girls, who have not only appeared in advertisements for Pepsi, but also in product launching and PR events.

• **Time saving:** Celebrity is able to build brand credibility in a short period of time.

• **Higher degree of recall:** People tend to commensurate the personalities of the celebrity with the brand thereby increasing the recall value. Golf champion Tiger Woods has endorsed American Express, Rolex, and Nike. Actress Catherine Zeta-Jones is used by T-Mobile and Elizabeth Arden. 007 Pierce Brosnan promotes Omega, BMW, and Noreico.

• **Associative Benefit:** A celebrity’s preference for a brand gives out a persuasive message - because the celebrity is benefiting from the brand, the consumer will also benefit.

• **Mitigating a tarnished image:** Cadbury India wanted to restore the consumer's confidence in its chocolate brands following the high-pitch worms controversy; so the company appointed Amitabh Bachchan for the job. Last year, when the even more controversial pesticide issue shook up Coca-Cola and PepsiCo and resulted in much negative press, both soft drink majors put out high-profile damage control ad films featuring their best and most expensive celebrities. While Aamir Khan led the Coke fightback as an ingenious and fastidious Bengali who finally gets convinced of the product's 'purity,' PepsiCo brought Shah Rukh Khan and Sachin Tendulkar together once again in a television commercial which drew references to the 'safety' of the product indirectly.

• **Psychographic Connect:** Celebrities are loved and adored by their fans and advertisers use stars to capitalise on these feelings to sway the fans towards their brand.

• **Demographic Connect:** Different stars appeal differently to various demographic segments (age, gender, class, geography etc.).

• **Mass Appeal:** Some stars have a universal appeal and therefore prove to be a good bet to generate interest among the masses.

• **Providing testimony:** Another benefit of using celebrity endorsers is that s/he can provide testimony for a product or service, particularly when the product has contributed to their celebrity. The more familiar an endorser, the more likely consumers are to buy the endorsed product.
• **Rejuvenating a stagnant brand:** With the objective of infusing fresh life into the stagnant chyawanprash category and staving off competition from various brands, Dabur India roped in Bachchan for an estimated Rs 8 crore.

• **Celebrity endorsement can sometimes compensate for lack of innovative ideas.**

**The argument against Celebrity Endorsement**

The celebrity approach has a few serious risks:

• **The reputation of the celebrity may derogate after he/she has endorsed the product:** Pepsi Cola's suffered with three tarnished celebrities - Mike Tyson, Madonna, and Michael Jackson. Since the behaviour of the celebrities reflects on the brand, celebrity endorsers may at times become liabilities to the brands they endorse.

• **The vampire effect:** This terminology pertains to the issue of a celebrity overshadowing the brand. If there is no congruency between the celebrity and the brand, then the audience will remember the celebrity and not the brand. Examples could be the Castrol commercial featuring Rahul Dravid.

• **Inconsistency in the professional popularity of the celebrity:** The celebrity may lose his or her popularity due to some lapse in professional performances. For example, when Tendulkar went through a prolonged lean patch recently, the inevitable question that cropped up in corporate circles - is he actually worth it? The 2003 Cricket World Cup also threw up the Shane Warne incident, which caught Pepsi off guard. With the Australian cricketer testing positive for consuming banned substances and his subsequent withdrawal from the event, bang in the middle of the event, PepsiCo - the presenting sponsor of the World Cup 2003 - found itself on an uneasy wicket.

• **Multi brand endorsements by the same celebrity would lead to overexposure:** The novelty of a celebrity endorsement gets diluted if he does too many advertisements. This may be termed as commoditisation of celebrities, who are willing to endorse anything for big bucks. Example, MRF was among the early sponsors of Tendulkar with its logo.
emblazoned on his bat. But now Tendulkar endorses a myriad brands and the novelty of the Tendulkar-MRF campaign has scaled down.

- **Celebrities endorsing one brand and using another (competitor):** Sainsbury’s encountered a problem with Catherina Zeta Jones, whom the company used for its recipe advertisements, when she was caught shopping in Tesco. A similar case happened with Britney Spears who endorsed one cola brand and was repeatedly caught drinking another brand of cola on tape.

- **Mismatch between the celebrity and the image of the brand:** Celebrities manifest a certain persona for the audience. Each celebrity portrays a broad range of meanings, involving a specific personality and lifestyle. Madonna, for example, is perceived as a tough, intense and modern women associated with the lower middle class. The personality of Pierce Brosnan is best characterized as the perfect gentlemen, whereas Jennifer Aniston has the image of the ‘good girl from next door’. 
Factors Impacting a Brand while being viewed by a Consumer in Media

The model above shows the various factors that affect a celebrity endorsed brand while viewed by a consumer in the media (both TV and print). The central idea being the impact on brand. The three major parts to a brand being shown are:

- The Product
- Advertisement
- The celebrity endorsing it

It is important is to study the relationship between these factors and how they together act for or against the brand.

The product is important, of course, it may fulfill a need, want or a desire. Quality is quintessential and, hence, nowadays it is understood the product is of highest quality. So what next? The advertisement is important as a good product could see an early exit if the advertisement is handled badly, and otherwise, a mediocre product which is tastefully handled goes a long way. Lastly, the celebrity in the advertisement, recall, trust, familiarity are some of
the reasons that they are used. Now consider the interactions of these individual factors. The best of superstars can be doing the advertisement but if the product is far from the image the star has, the whole advertisement is a waste. Imagine an Amitabh doing an advertisement for ad for youth apparel. Well, exceptions can be there but then again it depends on the way it is done. Believability is of vital importance, the TVS Victor advertisement shows us the bike being compared to the bat of Sachin and the strokes he plays.

The relationship between a product and its advertisement again can be either dependant or none. In that case, a shock value makes people remember the brand better and, hence, a possible long term loyalty.

**Selection Of Celebrity**

Anyone who is famous may be the right celebrity. However, the appropriateness of the celebrity largely depends on the product or service. Most advertisers insist that their celebrity spokespeople have charisma and current popularity. That is why we see more movie and television stars, athletes, real-life heroes, and musicians acting as brand ambassadors in the market.

![Diagram showing the selection of celebrity](image)

**How a Marketer chooses a Celebrity**
Celebrity Endorsements & Brand Building

The choice of celebrity is critical for the success of the advertisement. The celebrity should have high recognition, high positive affect, and the image of the celebrity must match with that of the product. For this reason, famous sportsmen are used to endorse sporting goods: Michael Jordan & Nike, Tiger Woods and Nike, David Beckham endorses Adidas, etc. While it is totally inappropriate for movie stars to endorse a sports product.

Celebrity endorsements must be used judiciously. If the celebrity is too famous or too popular, then the celebrity will overpower the product - i.e., people will remember seeing only the celebrity and forget the product. This happened when Britney Spears came in a Pepsi Commercial in 2001. Britney Spears was at the height of her popularity - viewers saw the advertisement to see Britney Spears and forgot all about Pepsi.

The cost benefit analysis of using celebrity in marketing communications is bit tricky. But the general belief is that using celebrity is a lot cheaper in building a brand. For example, S.Kumar’s built the brand "Reed & Taylor’s" as a premier suiting material by having Amitabh Bachan in its advertisements. To achieve the same without a celebrity would have taken longer time & more money. In a span of less than two years after launch, the brand Reed & Taylor’s" has become the second largest seller of cloth for men’s suits in India.

Selection of the right celebrity is crucial. The needs of the brand—rather than the fame of the celebrity—should be the primary criteria when selecting a celebrity spokesperson. The celebrity's physical attractiveness, values, and credibility also matter tremendously. However, it would be suicidal to forget about the target audience.
Types of Celebrity Endorsements

Celebrity branding has many aspects. A slight change in the type of branding used can result in either a great success or a dismal failure. Celebrity branding falls into five general categories:

- **Testimonial**: The celebrity acts as a spokesperson for the brand.
- **Imported**: The celebrity performs a role known to the audience.
- **Invented**: The celebrity plays a new, original role.
- **Observer**: The celebrity assumes the role of an observer commenting on the brand.
- **Harnessed**: The celebrity's image is integrated with the ad's storyline.

FACTS OVER THE YEARS

- Approximately 60-70% of all television commercials feature famous people.
- Aishwarya Rai had once endorsed 'Fuji-Film' camera rolls. The company made an agreement with her to endorse their camera rolls. But, Aishwarya's magic did not work there and they had to terminate the contract.
- Amitabh Bachchan (AB) was seen endorsing Maruti's Versa Car. The AB factor worked wonders as far as generating curiosity was concerned but the actual product couldn't meet the expectations of people, and hence, the endorsement strategy didn't work. He has been used very effectively by Parker Pens, ICICI Bank and Cadbury's to name a few.
- Bata’s sales doubled soon after they adopted Rani Mukherjee as their brand ambassador.
- Ticket sales at Wimbledon are known to have shot up significantly for all matches featuring the latest 'sex-symbol' on the circuit - Anna Kournikova. An average player who is yet to win even a single tennis tournament, Anna is known to have earned far more from endorsements than her tennis career could ever have given her.
Celebrity Endorsements & Brand Building

Celebrity Endorsements as a Strategy

How Tiger Woods’s endorsement of Accenture is beneficial to the company in sending the message of high performance. This is just an example of having celebrity endorsement. Marketers of consumer products have long used celebrities to endorse their product - and this has become a common strategy.

BRAND IMAGE & CELEBRITY

Research has shown that there are three aspects that influence a customer's attitude and, hence, the long term impact on the brand - Attractiveness, Trustworthiness and Expertise. The matrix below shows us the images and the celebrities:

<table>
<thead>
<tr>
<th>Aspect of Brand</th>
<th>Image</th>
<th>Celebrity</th>
<th>Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attractiveness</td>
<td>Elegance</td>
<td>Aishwarya Rai</td>
<td>Nakshatra Diamonds</td>
</tr>
<tr>
<td></td>
<td>Beauty</td>
<td>Madhuri Dixit</td>
<td>Emami</td>
</tr>
<tr>
<td></td>
<td>Classy</td>
<td>Saif and Soha Ali Khan</td>
<td>Asian Paints-Royale</td>
</tr>
<tr>
<td></td>
<td>Stylish</td>
<td>Saif Ali Khan</td>
<td>Provogue</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Amitabh Bachhan</td>
<td>Reid &amp; Taylor</td>
</tr>
<tr>
<td>Trustworthiness</td>
<td>Honest</td>
<td>Sachin Tendulkar</td>
<td>Aviva Life Insurance</td>
</tr>
<tr>
<td></td>
<td>Reliable</td>
<td>MS Dhoni</td>
<td>TVS Star City</td>
</tr>
<tr>
<td>Expertise</td>
<td>Knowledge</td>
<td>Virender Sehwag</td>
<td>Reebok</td>
</tr>
<tr>
<td></td>
<td>Qualified</td>
<td>Rahul Dravid</td>
<td>Gillette</td>
</tr>
</tbody>
</table>

Hence, we see depending on the product and aspect of brand, the choice of the celebrity is important so that the celebrity can reflect that and not go against the brand.

Brand equity essentially made up of loyalty, awareness, perceived quality, associations, and other proprietary brand assets. The celebrity should be chosen in such a way as to reinforce and strengthen the brand in all these elements but the question is, can he? Take an example of another star Fardeen Khan, who endorses Provogue. Snazzy fashionable apparel from an Indian manufacturer with the backing of a star son was a great idea for the brand image. It was able to attract new customers who were fashion conscious but unable to afford high price international brands.
Awareness of the brand was phenomenal as fashion shows, print and media advertising was booming and Fardeen and Provogue had become a national phenomenon. Quality was given utmost importance and, hence, from the manufacturer side, the commitment to the customer was complete. Competition was present but sales figures showed Provogue reaping handsomely. Then the image of the so-called Bad Boy Fardeen emerged with the drug and brawls in night clubs. This did lead to a certain discontent amongst fans of the star and the brand. But remarkably not much effect on sales. It seemed that the consumers had forgotten Fardeen's issues and remained loyal to the brand. Today Fardeen is still the mainframe picture of every advertisement and the brand has not lost any of its shine.

Fardeen Khan in a Provogue Poster
MEASURING A CELEBRITY ENDORSEMENT

It becomes very important to measure the effectiveness of a celebrity (or determine the worth of one). Few of the methods of measurement that are in practice are:

- The Q-SCORE Method
- The FRED Principle

The Q-SCORE Method

There is a way to measure the credibility, believability, popularity, and like-ability of a celebrity. It's called a Q-Score, and you can purchase the Q-Scores of the candidates you're considering.

Consider both sides of the deal - for a client who wanted to use a celebrity endorser, and for a celebrity who was looking for an endorsement opportunity. Once you've defined the kind of endorser you need (e.g., athlete, actor, male/female, young/old, etc.), it's well worth going through the Q-Score exercise.

Evaluating the contribution of the endorser after you've already made the decision is not nearly as straightforward. One time, many years ago, a company actually shot a commercial with a well-known (high Q-Score) endorser for national use, and it shot the same commercial with a good actor, not so well-known. The company ran a limited market test for 6 months with the unknown actor (cutting in the commercials locally, over national network schedule) so could quantify the sales impact of the celebrity. By the way, the celebrity was worth every penny of his outrageous fee. It ended up using him for years, and he helped the brand reach market leadership almost entirely on the strength of the commercials in which he appeared.
The FRED Principle

This concept is seen as the foundation of a successful endorser selection.

F is for Familiarity. The target market must be aware of the person, and perceive him or her as empathetic, credible, sincere and trustworthy.

R is for Relevance. There should be a meaningful link between the advertised brand and the celebrity endorser, and more important, between the celebrity endorser and the defined target market. The audience must be able to identify with the person. If consumers can immediately associate with an endorser, they will feel more predisposed to accepting, buying and preferring the brand to competition.

E is for Esteem. Consumers must have the utmost respect and confidence for the celebrity. Amitabh Bachhan & Tendulkar have these. So do Shahrukh Khan, Preity Zinta, Kapil Dev among others. The public respect them because of their distinguished careers and unassailable salesmanship.

D is for Differentiation. The target consumers must see the endorser as a cut above the rest. If there is no perceived disparity among celebrities, then the strategy will not work. Michael Jordan is an example of an international celebrity that rises above the clutter. This proves to be a huge contributory factor to his effectiveness as an endorser.

The Fred concept is not a guarantee to success, but it can serve as a guideline when selecting a spokesperson. Each organization and its objectives are different, and should be evaluated on an individual basis.
THE IMPACT

As defined earlier, impact would be both short term and long term, but here the focus would be more on the long term implications of the brand. Measurement of this would be challenging and data would be difficult to obtain. The parameters on which impact could be measured would be on a comparative basis of the brand before and after the celebrity began endorsing the brand. Sales / revenue, market share, brand recall, level of repurchase, brand loyalty, trust, image and perception of the brand per say.

In this trend of creative advertising, we see usage of celebrities of all walks in life - particularly actors, film stars, models, sports persons, and the whole gamut. But the usage can always backfire if the choice of the star is completely contradictory in nature to the brand. Believability and association of brand to celebrity is important.

Selection of celebrities can be done while they are at their peak or when they are destined for greatness in the near future. Again a risk that may go either way. What is important at some level is the value that a celebrity adds to a particular brand. The advertiser tries his best to make the celebrity and brand as analogous as possible. The celebrity endorser is seen to score quite well on dimensions such as trustworthiness, believability, persuasiveness, and likeability when tested for reaction from people. This is important to a marketer as if he can get a celebrity to make the masses follow, believe or listen to him, he has been successful.

The basis for the effectiveness of celebrity-endorsed advertising can be linked to this process of identification and internalization of the desired behavior. Price of fame may be high for the celebrity endorsed brands but they have both what the markets and the everyday common man want - attention, power and star sizzle.

Celebrities are people who enjoy public recognition of a large group of people. Celebrities may convey a broad range of meanings, involving demographic categories (e.g., age, gender and status), personality and lifestyle types. For instance, people adore Sachin Tendulkar because he represents a middle-class Maharashtrian boy who made it big with sheer hard work. Likewise, Amitabh Bachchan for most is an icon of style, trust and dependability.
CELEBRITY ENDORSEMENTS CASES: MAKE OR BREAK

1. Sharukh Khan - Mayur Suitings (Positive Impact)

“Sharukh Mayur Khan” is how this product came to be known. Shahrukh brought to the product his persona of high class lifestyle, giving the consumer the belief to aspire and good clothing a sure way to reflect the aspiration. The ad shows a great fit between what the product stands for, what the consumer expects and what the celebrity means to the consumer, hence explaining the strong impact in sales and brand recall.

2. Dharmendra - Rajdoot Motorcycles (Positive Impact)

This strong man from yester years, still resonates as the only brand ambassador, who managed to sell a motorcycle in each and every corner of India in the 80’s. Dharmendra’s image of being a brawny man, hailing from the rustic roots of India, gave Rajdoot motorcycles the perfect brand ambassador it was looking for. He not only gave to the product a sturdy and robust image, but also brought to the product trust and honesty which it was trying to build in its first time buyers.

3. Amitabh Bachchan (Cluttered Identity)

Our framework argues that exclusivity makes the product-celebrity association stronger thereby making the product resonates with the qualities of the celebrity. In cases where the celebrity endorses multiple products, he dilutes his equity.

There’s no better example in the Indian industry than Amitabh Bachchan who endorses ICICI Bank, Cadbury, Versa, Dabur, Rin, Parker Pens, Pepsi, Nerolac Paints and many more. In each of the cases the ads use some or the other attribute of Amitabh to endorse the product, but makes no strong link in the minds of the consumer. Hence in the end the consumer is lost and has difficulty identifying, what does Amitabh really stand for?
4. Rani Mukherjee - Hero Cycles (Negative Impact)

Rani Mukherjee endorsing a cycle makes a case where the celebrity is used only for her popularity without looking for Brand-celebrity fit.

Cycles in India are generally used by men and the target segment belongs to low income group. By using Rani, the consumers could not be assured of the product’s qualities and could not relate the product to the ambassador. Hence, the consumers were not motivated towards the product and the ad was called back, thereby emphasizing the need for a brand-celebrity fit. After that, Irfan Pathan was signed to endorse for the product which increased the sales.

5. Vodafone - Zoo Zoo (Created Spokesperson)

Hutch managed to grab the attention of the consumers, by not using a celebrity. The zoozoo campaign came across as a fresh initiative at endorsing a product. The zoozoo have had a very high brand recall as they represent only Vodafone and have been created by the company according to the needs of the product and the message. It communicates to the consumer about all the offers and packages the company offers. The protagonist says all of the above and creates a strong bond with the consumer.
6. Mohammad Azharuddin - Britannia (Change of the Celebrity Image)

Mohammad Azharuddin, at the peak of his career was a brand ambassador for an assortment of products. But the match-fixing case besmirched his image and all of the products started disassociating their endorsements from him.

Thus, a product is sold on basis of the qualities of the endorser and with a change in the inherent value system of the celebrity; the bond with the consumer is lost.

7. Narain Karthikeyan - Jordan / Formula 1 Racing (Entering International Markets)

A celebrity’s endorsement through various cultural and social roadblocks is one of the critical applications of our model; Narain is a case in point. The popularity of F1 as a sport in India owes its genesis to use of Narain as a brand ambassador of the sport. His image and persona has been used by the sport and the Jordan team to create brand awareness in India.

8. Sachin Tendulkar - Fiat Palio (Financial Viability)

Sachin Tendulkar was paid a huge sum of Rs. 12 Crore to endorse Fiat Palio, even though Tendulkar as a brand could command such an exorbitant amount. It’s for the company to evaluate if the returns generated by the endorsement would commensurate the initial spend. In this case due to excessive spending and failure of the product to take-off the advertisements had to be withdrawn.
RESEARCH METHODOLOGY
Research Methodology is a way to systematically solve the research problem, it not only takes the research methods but also consider the logic behind the methods. The study of Research Methodology for developing the project gives us the necessary training in gathering materials and arranging them, participation in the field work when required, and also provides training in techniques for the collection of data appropriate to particular problems.

Main Objectives:
• To understand consumer perception of the celebrities in advertisements.
• To understand the effectiveness of celebrity endorsement.
• To identify drawbacks associated with celebrity endorsement.

Marketing Research
Marketing research is the systematic design collection, analysis and reporting of data findings relevant to the specific marketing situation faced by the company. Marketing research process, the research findings and inferences based on the data interpretations along with the concept, methodology and limitations of the research are of much use to the management while making strategic decisions about the company.

In marketing research investigation the first three steps namely formulation of the problem, specification of a research design and collection of desired information tend to be closely inter-related

In Research Methodology, we consider about the Research Design, Methods of Collection of Data, etc.
RESEARCH DESIGN
Research Design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose and constitutes the blueprint for the collection, measurement and analysis of data.

Research Design used in the project
The Descriptive Studies is used in this project due to the fact that the descriptive studies attempt to obtain a complete and accurate description of a situation, that is it covers the all phases required and provides the ways to collect the data from various sources of information (sample design), ensure minimum bias in the collection of data, hold costs to a minimum, and reduces the errors in interpreting the data collected.

SOURCES AND METHODS OF DATA COLLECTION
For the research purpose, the researcher does data collection. For successful efficient marketing research investigation, the researcher must be familiar with the nature of the data as well as the data collection method.

Sources of data collection
Sources of data collection state the various sources of data from where we collect the information’s for the comparative analysis.

Primary Data
Primary data are those collected specifically by, or for, the data users by different methods such as Observation Method, Interview Method, Questionnaire Method, etc.

Secondary Data
Secondary data are those that have been collected by other organizations, such as government agencies, newspapers and magazines, etc.

METHODS OF DATA COLLECTION
Methods of data collection are the way through which the data is collected for the research purposes. While deciding about the method of data collection to be used for the study, the researcher should keep in mind two types of data viz., primary and secondary. The researcher would have to decide sort of data he would to select for his study and accordingly he will have to select one or the other method of data collection. The methods of collecting primary and secondary data differ since primary data are to be originally collected, while in case of secondary data the nature of data collection work is merely that of compilation.

For data collection, we will develop a well defined questionnaire as a research instrument consisting questions aimed to measure the consumers perception, their liking and disliking and their views and comments about Celebrity Endorsement.

**SAMPLING PLANS**
The marketing researcher must design a sampling plan, which calls for three decisions –

a) Sampling unit - Who is to be surveyed?
b) Sample size - How many people should be surveyed?
c) Sampling Procedure - How should the respondents be chosen?

**SAMPLING PROCESS & SIZE**
Research being exploratory in nature, a simple random & convenient sampling was taken into consideration. 50 consumers,

**CONTACT METHOD**
Used can be personal interviewing. All the consumers, dealers and manufacturers were contacted personally and information can be collected with the help of a questionnaire.

**HYPOTHESIS**
Ho: Celebrity endorsements help in building the brand image.
Ha: Celebrity endorsements do not help in building the brand image.
SUMMARY AND MANAGERIAL IMPLICATIONS

The report was linked to specific managerial suggestions regarding more effective use of celebrities to enhance brand equity:

- Celebrity endorsements will be more effective when used consistently over time to increase the strength of the link between the celebrity and the endorsed brand.
- Celebrity endorsements will be more effective when the ad execution is simple, clean, and free of irrelevant design elements. Focus on the celebrity and the brand together.
- Celebrity endorsements will be more effective when using a celebrity who is not already strongly associated with another product or service.
- Celebrity endorsements will be more effective when using a celebrity with a high “fit”, “congruence”, or “belongingness” with the endorsed brand.
- Celebrity endorsers can be used to effectively reinforce and/or create an image for a product or service.
- Test potential brand/celebrity combinations to ensure that the impression and image of the celebrity is positive for the target audience.
- Celebrity endorsements will be more effective for less familiar brands.
- Celebrity endorsers will be more effective for brands for which consumers have limited knowledge/facts.
- Celebrity endorsers will be more effective when integrated across the elements of the marketing mix.
- Caution in choice of celebrity endorser is warranted given the potential risk of tarnishing the brand’s image.
CONCLUSION

Celebrities have always been the easiest way for a new product launch (consumer goods) and will remain to do so in the near future on account of their mass appeal and a world full of star stuck loyal fans. But the impact on the brand is much greater than just an advertisement showing a celebrity.

We have seen that the correct choice of a celebrity can surely increase sales but when it comes to long term loyalty and impact on the brand, the effect is yet somewhat debatable. In the end, the product must deliver for the customer, no matter who endorses the product, if the customer does not see himself getting value from his purchase, he will not buy it. But yes, celebrities over time can influence the loyalty and make a person friendlier to a brand. Brand and celebrities are here to stay for a long time and in this age of slick advertising and mass media and unthinkable budgets, celebrities are having a field day charging huge amounts and making more money than their mainstream professions. But then do they really care about the brand? Or is it just the money? But the bottom line, celebrity endorsements are here to stay.

With the use of the celebrity, the effect is magnified so as to allow the consumer to equate the personality and the brand together. Hence, whenever the consumer is watching the several images of her favorite actress alone, it conjures up multiple impressions of her sipping the XY brand of coffee, each time.

While speaking of celebrities, we should be very clear as to who this term connotes to and the powers they carry. Fido Dido for 7-UP, the Amul Girl or Tony the Tiger for Kellogg's Frosted Flakes are as much a celebrity as any breathing face. They reach their target consumer, they move the product, and they carry the brand. That's what counts. Of course, the gestation period is higher in the case of such creatives, but in the event of a hit, the comparative risks are minimized. After all, they cannot get drunk, attract a controversy or commit a crime, as long as
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the management wants. In short, they are 'safe floaters' vis-à-vis their unpredictable human counterparts.

Using a celebrity in advertising is not a simple thing and the success of this process depends on several factors as discussed in the report. The careful selection of celebrity, matching the target segment and brand values, should be inherently stressed upon. The advertisers can use the Q Score, as discussed developed by a U.S. based marketing research agency, which considers two factors - awareness and likeability, while evaluating the celebrity. Another important factor is the flexibility with which the companies can go in for hedging the risks associated in hiring a celebrity. They choose personalities from various fields or even appealing to various consumer perceptions, so that they can minimize the damage in cases of negative publicity due to any celebrity mistake. The cola brands spread their endorsements across a wide 'variety' of celebrities such that even if one falls, the others are still holding the fort.

In terms of the future, celebrity endorsements are here to stay. Their ability to cut across the classes, caste barriers and apprehensions are simply too important to be sidelined. They have been time-tested and delivered results repeatedly, given good hands. One could continue to wonder if these celebrity-hawkers are worth the money and the tantrums, but in a world of brand clutter and product muddle, celebrities seem to hit the nail on the head, more often than not.

This paper also brings forth the following insights:

- Celebrity endorsements do work in the Indian scenario. The level and the magnitude of the effect vary with the celebrity and the product category but most endorsements have a favourable impact.

- The consumer looks for a variety of aspects from the endorsement like the credibility and likeability of the endorser. Credibility also means the fit between the brand and the celebrity.

- Multiple endorsements do clutter the minds of the consumer.

- When one endorser endorses many brands, then the recall of the endorsement depends
entirely on the power of the brand. There are definitely some brands that go unnoticed and the recall for those stands is at a bare minimum. The company in that case can heighten the advertising content because that catches a special place in the mind space of the consumer.

- It is not just the financial gains from the endorsements that matter to the celebrity. They also look for the fit with the brand and what the endorsement might do to their image.
- Professional performance of the endorser is important in deciding the success of the endorsement.
- More than the bad performance in the professional field, it is the association of the celebrity with a controversy or ill-behaviour that causes negative impact to the endorsements.
- During the match fixing scandal in India, the commercials featuring Ajay Jadeja and Mohammed Azharuddin were all taken off air so that they did not have a negative effect on the brand.
- The celebrities' accessibility, regional appeal factors, popularity, attractiveness, belief system are some other important platforms, which are raised when we study the impact of celebrity endorsement on brands.
ANNEXURES

ANNEXURE 1: STORY BOARD OF PARKER BETA

Amitabh Bachhan gets a warm welcome at an Annual Function of a college. As he acknowledges the delirious students around him, a young girl breaks across and runs up to him. “One autograph please,” she pleads. He obliges smilingly.

He scrawls his signature across the page and stops to examine the pen. Turning the page, he signs on afresh and clarifies, “Dost shost ke liye.”
He repeats his action and adds, “Bhai shai.” The girl is dumbstruck and nods wordlessly. One more and he adds, “Padosi to honge.” Yet another page succumbs, ‘Chachi wachi. What a great pen!’” The girl just nods.

MVO: “New Beta from Parker. Dil chahe likhte jaayen.” The shot of the auditorium is now deserted except for the girl and her idol. He continues to sign as she dozes next to him, “Doodh wala, paper wala, dhobhi...”
ANNEXURE 2-QUESTIONNAIRE

Dear Respondents,

I, Piyush Rawtani, student of MBA, am conducting a survey on “Impact of celebrity endorsement on buying behavior of customers and as a source of brand building”. For this purpose I need your cooperation in fulfilling this questionnaire. It will take few minutes of your precious time. It is make sure that information obtained is for general purpose only.

1) Name of the respondent..............................

2) What is your occupation?
   a) Business Class
   b) Service Class
   c) Student
   d) Others

3) What is your age?
   a) 18-25
   b) 26-32
   c) 32-39
   d) More than 40

4) What is your gender?
   a) Male
   b) Female
5) What factor affects your buying behavior towards a purchase?
   a) Price
   b) Opinion-leader
   c) Celebrity endorser
   d) Brand name

6) Do you like to see any celebrity endorsing your brand on television?
   a) Yes
   b) No
   c) Can’t say

7) “Celebrity endorsement is an effective tool of persuasion of buying a product” Rate this statement.
   a) Strongly agree
   b) Agree
   c) Indifference
   d) Disagree
   e) Strongly disagree

8) “Male endorser is more effective as compared to female endorser.” Rate this statement.
   a) Strongly agree
   b) Agree
   c) Indifferent
   d) Disagree
   e) Strongly disagree
9) Does a celebrity endorsing a product actually uses it?
   a) Yes
   b) No
   c) May be

10) Out of the following celebrity persona whom do you like most?
    a) Bollywood Stars
    b) Sports star
    c) None of above

11) Motivation factor for buying a:

i.) Motor Vehicle
    a) Luxury
    b) Esteem
    c) Brand
    d) Celebrity

ii.) Clothing
    a) Status
    b) Few Prices
    c) Trends
    d) Celebrity

iii.) Food Products
    a) Quality
    b) Packaging
c) Brand Name
d) Celebrity

Any suggestion

“Thanks for your valuable Contribution”
ANNEXURE 4-FINDINGS & INTERPRETATIONS

Interpretation:
From this pie-chart it is clear that majority of the respondents are students and rest of the share is occupied by service and business class.
**Interpretation:**
This pie-chart depicts that most respondents are young and while rest are above 25 years.

**Interpretation:**
This pie-chart depicts that 64% of the respondents are male and 36% are females.
Interpretation:
This graph depicts that most respondents are influenced by the price of a product and least by the celebrity endorsing it.

Interpretation:
This pie-chart depicts that majority of the respondents would like to see their brand to be endorsed by a celebrity.
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Interpretation:
This graph depicts that 31 respondents strongly agree or agree to the fact that celebrities are an effective tool of persuasion.

Interpretation:
This pie-chart depicts that most of the respondents consider a male celebrity endorsing a product is more effective than a female celebrity.
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Interpretation:
This pie-chart depicts that 48% of the respondents believe that a celebrity endorsing a product never uses it in reality.

Interpretation:
This graph depicts that sports stars and bollywood stars are the most popular among the respondents.
Interpretation:
This pie-chart depicts that low prices and discounts on a product motivates them the most to buy a product with the lowest motivator being the brand ambassador of the product.
When Buying a Motor Vehicle

- Luxury: 46%
- Esteem: 26%
- Brand: 14%
- Celebrity: 14%

When buying Food Products

- Quality: 46%
- Packaging: 24%
- Brand Name: 20%
- Celebrity: 10%
When buying Clothing

- Status: 20%
- Low Prices: 16%
- Trends: 42%
- Celebrity: 22%

ANNEXURE 3- BIBLIOGRAPHY

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