



## CELEBRITY ENDORSEMENT MARKETING: AN OVERVIEW OF INDIAN SCENARIO

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### **Abstract**

In the present scenario of information explosion, advertisement and media power, the celebrities plays a major role in changing customer perception about brands. Endorsement is a channel of brand communication in which a celebrity acts the brand's spokesperson and certifies the brand's claim and position by extending his/her personality, popularity, stature in the society or expertise in the field to the brand. Celebrity Endorsement is a billion dollar industry today with companies signing deal with film stars, sports persons, entertainers, politician and other celebrities hoping that they can make their brand stand out in this competitive era. Celebrity endorsement has become an essential part of today's advertisement world especially in the brand sector. The study reveals the celebrity endorsement marketing: An overview of Indian scenario, identify the factors increasing the effectiveness of celebrity endorsement and the brand sectors using celebrities for marketing a product or services. In this present study celebrity endorsement creates the great brand awareness for new brands in marketing.

**Key words:** *Brand, Celebrity, Endorsement, Marketing and Advertising.*

### **Introduction**

Celebrities are involved in endorsing activities since late nineteenth century. The advent of celebrity endorsements in advertising in India began when Hindi film and TV stars as well as sportspersons began encroaching on a territory that was, until then, the exclusive domain of models<sup>3</sup>. One of the first sports endorsements in India was when Farokh Engineer became the first Indian cricketer to model for Bryl cream. The Indian cricket team 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 Suitings).

### **Celebrity Endorsement**

A celebrity endorsement is when a famous person uses their notoriety to help to sell or promote a product or service. Through the 1760s, royal endorsements were used as a type of celebrity branding to promote products. The first product that used celebrity endorsements was in the 1760s, where Josiah Wedgwood and Sons, producers of pottery and chinaware, used royal endorsements as a marketing device to show value in the company and promote others their product. In 1875–1900s trade cards were introduced, this is where there would be a picture of a celebrity with a photo of the product. Typically, these trade cards would be given to consumers with the product or would be inserted on the packaging of the product itself, which would feature celebrities such as actors or sport stars. Cigarette brands became hugely involved in celebrity branding, 'Kodas' cigarettes introduced baseball player cards into the packets of cigarettes as part of a customer loyalty scheme. This created a demand for consumers to buy more cigarettes so they could gain all the cards of all baseball players due to celebrity endorsement of the cards. In the early 1930s the major trending celebrity endorsers were athletes, then by 1945 the trend changed and movie stars were the next big celebrity endorsers. In 1965, colour television was introduced to the marketing and there was a popular rising demand which was occurring, this in when television personalities and entertainers became a celebrity endorsement for communicating services and products. Companies and firms in 1980s then decided to start making products around celebrities. An example of this is in 1984 when the company Nike noticed a talented and young basketball player called Michael Jordan. Michael Jordan then became Nike's celebrity brand ambassador for their sports industry. Nike extremely relied on Michael Jordan's social status to make the brand internationally well known. Since companies started making products around celebrities and the celebrity becoming the brand ambassador for the company, athletes and entertainment celebrity's then started to negotiate salaries and pay outs for them representing the company due to competition of other firms. Due to salaries always increasing because of the demands of the celebrity, usually sales for the company that the celebrity was promoting would increase. Furthermore, in the late 1900s, celebrity endorsements came to another level, instead of images of them promoting a brand, companies started to hold press conferences with the celebrity announcing special deals, this meant celebrities had now become a spokesperson for the firm. As more companies got their celebrity ambassador to hold press conferences and announce special deals, sales for the brands were increasing immensely and more deals were introduced to the market. In the year of the 2000s, studies have shown that by having a celebrity ambassador for a firm has improved sales enormously; such as Nike whom signed Tiger Woods in 1996 saw a \$50million increase in sales on golf balls by 2002.



### Review of Literature

Dr. Hellen K. Mberia & Mwendwa Mildred Zipporah (2014)<sup>1</sup>, in their research articles stated that Celebrities are the personalities that are well known in public either because of their credibility or of their attractiveness or because of both of these. Research has proven that celebrity endorsement does cast its impact, but other schools of thought attest the contrary. This study moves on the same line and affirms the impact of celebrity endorsement on customers' buying intention. It will identify the factors that lead to celebrity's influence on audience and also examine the effect of celebrity endorsement in advertisement. The study will examine celebrity endorsement from a strategic perspective and the impact of social networks on an organisation's celebrity endorsement strategy. The purpose of this paper is to help organizations, business people and media to understand the importance of advertising as well as the best ways and tools to use in developing messages for advertisements to reach their target audience. This study will help marketers in making the right choice of celebrities to use in endorsing advertisements as well as considering how far advertisement will be effected.

Dr. Jagadeesh Prakash & Shamala .R (2014)<sup>2</sup>, in their study entitled Advertisements cater to the emotional appetite of the viewers by plastering the appealing image of celebrities and thus have become an integral part of our lives. Mass media serves as an interface between society and market by introducing every commercial product on TV. Viewers rate ads based on their content, script and presentation. Advertisements delivered by a celebrity provide a higher degree of recognition and is easily recalled by the viewers as compared to ads that does not feature celebrities. Today advertisers resort to different strategies to break through the clutter of ads that collide with the viewers in everyday life. Such a strategy is sports celebrity endorsements which have shown a steady growth in the past few years. This study tries to examine how youth perceive advertisements featuring sports stars and whether the youth are influenced by these sports celebrity endorsements and the various factors that influence them to purchase a product.

### Objectives of the study

The celebrity endorsement has been popular concept of marketing. The present research is expected to provide theoretical contribution about the recent understanding of celebrity endorsement. Similarly the celebrity endorsement, Celebrity marketing, celebrity branding are studied in this paper. Overall, this study will enhance the knowledge about the celebrity endorsement in existing marketing research.

1. To study the celebrity endorsement marketing: An overview of Indian scenario.
2. To know the brand sectors using celebrities for marketing a product or services.
3. To learn factors increasing the effectiveness of celebrity endorsement.

### Methodology

This study will involve secondary information. The materials used include texts, journals and articles within a period of last two decades. This will help in finding out what has been researched by other scholars especially the factors that lead to celebrity endorsement marketing a product. It will also examine the factors increasing the effectiveness of celebrity endorsement.

### Pros and Cons of Celebrity Endorsement

Celebrity endorsement also affects the celebrity. The brand itself can have a positive and negative influence on the celebrities' image showing a reverse effect of the celebrity endorsing the brand.

#### Pros

**Positive image:** If the celebrity becomes an endorser for a company with a positive image, the celebrity can gain the same reputation of the brand they are associated with.

**Income:** Brands will pay a huge amount for celebrities to endorse their product or service. This means celebrities gain more income for just associating them with the brand.

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<sup>1</sup>Dr. Hellen K. Mberia & Mwendwa Mildred Zipporah (2014) The Effects OF Celebrity Endorsement in Advertisements, International Journal of Academic Research in Economics and Management Sciences, ISSN: 2226-3624, Issue No. 5, Vol. 3, Sep 2014.

<sup>2</sup>Dr. Jagadeesh Prakash & Shamala .R (2014)<sup>2</sup>, Sports Celebrity Endorsements on TV and its Impact on Youth, International Journal of Humanities and Social Science Invention ISSN (Print): 2319 – 7714, Issue 3, Volume 3 March. 2014, PP 01-08.



**Fame:** Celebrities can also gain a bigger following from the brands consumers. They think that if the celebrity likes a brand they do, that they should like the celebrity too.

### **Cons**

**Lose credibility:** If the brand does something deemed unacceptable by consumers, the celebrity can also be seen in this light. This could cause followers of the celebrity to be doubtful of them, not just the brand. Assumptions could be made that the celebrity agrees with all actions of the brand and become less credible by association.

**Put off other endorsements:** By celebrities endorsing one brand, they could put off other brands offering them endorsement deals meaning they could miss out on more money or getting a deal with a brand they like more. They could also be seen as disliking other competitor brands or not able to associate themselves with other brands such as Nike and Adidas, as they in the same market.

### **Factors Increasing The Effectiveness Of A Celebrity Endorsement**

Although the share of celebrity endorsements was a minimal 5-7% overall or even less, recent studies show that in the current age of booming media, the share of celebrity endorsements in the endorsement world has gone up to 65% in Indian market, with the Chinese and Western markets having 45% and 35% share respectively. Apart from the rising share and the benefits of using celebrity for the brand, let's understand certain factors increasing the effectiveness of a celebrity endorsement.

### **Celebrity branding**

Celebrity branding or celebrity endorsement is a form of advertising campaign or marketing strategy used by brands, companies, or a non-profit organization which involves celebrities or a well-known person using their social status or their fame to help promote a product, service or even raise awareness on environmental or social matters. Marketers use celebrity endorsers in hopes that the positive images of the celebrity endorser of the brand will also be passed on to the products or the brand image associated with the celebrities. Celebrity endorsement is usually commonly used by fashion or beauty brands, but a non-profit organization relies on celebrities as well, as celebrities have mass communication skills which can attract people's attention and is helpful in reaching a wider audience to raise their awareness towards a certain organization or an issue. Thus, making celebrities effective fund raisers, Celebrity branding is also known as celebrity endorsement, and is a form of publication by portraying a well-recognized sports or entertainment celebrity to be a brand ambassador for a company or firm, and by using their social status to promote a service or product.

### **Celebrity marketing**

Celebrity marketing is a tactic featuring a famous person to offer an endorsement of a product. This famous person might be an actor, musician, athlete, ex-politician or a cartoon character. They do not need to be international superstars; they only need to be familiar to the target audience. For instance, a famous skateboarder might be unknown to the population at large, but beloved in the circle of young men that energy drinks are being marketed to. **Lux** is a global brand developed by Unilever. The range of products includes beauty soaps, shower gels, bath additives, hair shampoos and conditioners. Lux started as "Sunlight Flakes" laundry soap in 1899. In 1925, it became the first mass-market toilet soap in the world. It is noted as a brand that pioneered female celebrity endorsements. As of 2009, Lux revenue was estimated at €1 billion, with market shares spread out to more than 100 countries around the globe.

Today, Lux is the market leader in countries like Bangladesh, Brazil, India, Pakistan, South Africa and Thailand. Developed by Unilever, Lux (soap) is now head quartered in Singapore. In India, Bollywood actresses such as

Sharmila Tagore, Hemamalini, Parveen Babi, Sridevi, Madhuri Dixit, Ranikerji, Aishwarya Rai, Katrina Kaif, Amisha Patel, Kareena Kapoor, Asin and Deepika Padukone have endorsed Lux soap.

### **Brand Sectors Using Celebrities**

#### **Amir Khan**

This superstar is hardly seen promoting any brand but when he does you will see him do it perfection. Apparently, Amir likes to go through the marketing plans, get into the details and even use the product before committing to endorse. His recent engagement with Snapdeal earned him a jaw dropping amount of 30 crores, making him the most expensive celebrity brand ambassador. Brands Endorsed: Samsung Mobiles, Tata Sky, Coca Cola, Titan Watches, Snapdeal, Etc



### **Shah Rukh Khan**

King Khan is perhaps the most visible actor on television! He has the maximum number of brand endorsements on his list and is one of the most popular celebrities for promotions. Shah Rukh considers himself to be a bigger brand than those he endorses and thus, he feels that his association will prove beneficial to the advertisers. Brands Endorsed- Tag Heuer, Airtel, Videocon, Emami, Hyundai, Pepsodent, Dish TV etc.

### **Salman Khan**

Salman is no less than a brand in terms of his popularity and grandeur! He started promoting brands even before rising to stardom in Bollywood. This dynamic star has a long list of endorsements and is quite in demand for TV commercials. Brands Endorsed- Thums Up, Revital, Wheel, Suzuki Motorcycles, Yatra.com, Dixcy Scott, Splash, Relaxo etc.

### **Amitabh Bachchan**

Megastar Amitabh Bachchan is one of the most revered actors of Bollywood. He is loved for his style and baritone voice and is quite popular amongst the audience. It is said that the advertisers line up to rope him in as their brand ambassador. Brands Endorsed- Parker Pens, Dabur, Dairy Milk, Boroplus, ICICI, Kalyan Jewellers, Gujarat Tourism, Navratna Oil, Maggi etc.

### **Akshay Kumar**

Khiladi Kumar is at an equal pace for signing ads and is said to be endorsing 13 brands currently. His sudden hike in endorsement fees was much in news last year. Akshay believes that it is a give-and-take relationship and there shouldn't be any questions about the fee charged. Brands Endorsed- Relaxo, Dollar Club, Micromax Mobile, Eveready, Manapuran Gold Load, Honda India, Sugar Free, Rasna etc.

### **Deepika Padukone**

The glam divas are no less when it comes to their brand value. Owing to the remarkable success of her films, Deepika Padukone has become the highest paid actresses of Bollywood. This fine lady has left all her contemporaries behind in brand endorsements and is truly at the top. Brands Endorsed Coca Cola, Axis Bank, Kellogg's, Garnier, Vogue, Tissot, Van Heusen, Lifestyle Melange, Parachute, HP, Nescafe, Lux etc.

### **Katrina Kaif**

With 20 endorsements in one year, Katrina Kaif is quite a popular face on the small screen! She is considered to be one of the most bankable stars in Bollywood and was also announced as the "Brand Endorser of the Year" in 2013. Brands Endorsed- Lux, Berger Paints, Slice, Panasonic, Veet, Sony Xperia, Titan Raga, Choc On, L'Oreal, LG, Olay, Nakshatra Diamond Jewellery, Pantene etc.

### **Aishwarya Rai Bachchan**

She is a global icon and one of the most expensive celebrities as well! Aishwarya started endorsing brands at an early age and became popular with her Pepsi TV commercial alongside Aamir Khan. Since then, she has been riding high on international endorsements and has been often regarded as the global ambassador of India. Brands Endorsed- Titan Watches, Longines, L'Oreal, Coca Cola, Palmolive, Phillips, Nakshatra Diamond Jewellery, Kalyan Jewellers, Prestige, Dee Beers Diamonds, Lodha Group etc.

### **Conclusion**

The Celebrity appears in the advertisement featuring a particular branded product. The endorsers can be from different fields. Most of the Celebrities are from the film and sports area, as their popularity extends to relatively wider segments of the population. Celebrity endorsement serves the dual purpose of creating interest in the advertisements and overcoming the advertising clutter. No wonder Celebrity endorsements are quite popular among advertisers and marketers. Celebrities are developed to make money. Media Entrepreneurs want Celebrities involved with their projects because they believe this will help them attract audiences, Film Producers use Stars as a means of attracting investment to their projects, Marketers use Celebrity endorsements as a means of profiling and branding their products, Television Programmes feature guest appearances from Celebrities to build their audiences and Sports Promoters use Celebrity athletes to attract media attention and increase the size of the gate the number of people who go to watch a sports event or the amount of money people pay to Watch it. Celebrity attractiveness is promoting companies, products and services.



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