



Effect of Endorsement Advertising on Consumer Buying Behaviour

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Abstract

Advertising Seems to be the best platform where brands prefer to compete on right from hiding the best advertising agencies to get the biggest celebrities. So, celebrity endorsement is a special type of advertising. In this paper, we study about an the effects of endorsement advertising on consumer behavior. There are different types of advertising like unpaid testimonial, fake endorsement, speaking on behalf of the brand. This paper also throws light on all types of endorsement, advertising, their advantages, risk involved in the endorsement and factors to be considered while choosing a good celebrity for making the advertisement effective. We also use secondary data collection method. Our objective is that to study about the effectiveness of endorsement advertising.

Key-Words ; Endorsement, Consumer, Advertising,

Paper

In today's highly competitive markets, big brands are at logger-heads when it comes to products being offered, each having a similar product to that of a rival. Where does one brand gain that quintessential advantage - advertising, service, promise of trust, or even the all important price factors? 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. Celebrity endorsement is a special type of advertisement which includes a famous person from film fraternity, athletes, and sports, modeling world etc. It helps in promoting the Brand and also increasing the sales of the product. Celebrity endorsement has not developed in recent years, it is being used since the days of Lux and Dabur Amla Hair Oil. This type of marketing strategy is used to promote the Brand and has proved in itself a boon in advertising world. However, it is very expensive to endorse a celebrity for a product but in the long run it has helped in enhancing the Brand Image. Celebrities are also interested in endorsing themselves as they get highly compensated and their visibility also increase. In fact, several celebrities from Bollywood use these advertisements for Promoting their new releases and also vice-versa.

India is a country where people are star-struck by film stars, cricketers, politicians etc. Many companies have had considerable success using celebrities as spokesperson, both endorser image serve as mediators in the equity-creation process of celebrity product endorsement.

Celebrities appear in public in different ways. First, they appear in public when fulfilling their profession, e.g., Viswanathan Anand, who plays chess in front of the audience. Further, celebrities appear in public by attending special celebrity events, e.g., award ceremonies, inauguration or



world premier of movies. In addition, they present themselves in news, fashion, magazines, and tabloids', which provide second information on events and the 'private life 'of celebrities through mass-media channel (e.g., Smriti Irani being regular feature in various publications). Last, but not the least, celebrities act as spokes-person in advertising to promote products and services, which is referred to celebrity endorsement.

Celebrities have an overwhelming influence on a common man's life. Perhaps, this is one of the reason's why the brand advertisers bank upon the stars for their endorsements. The glamour industry is majorly based on publicity and presence. What is out of sight, goes out of mind of the audience. So, even when the celebs don't have any film releases, they still need to make their presence felt and maintain their stardom. And becoming a brand ambassador is one of the most impactful ways to grow one's celeb quotient! Though the value of each star depends upon the success of their films, Bollywood celebs mint a lot of money through brand endorsements. Can't believe this? Have a look at these top 10 celebrities and what they endorse at astronomical sums.

Meaning of Endorsement in Advertising:

In laymen's terms, endorsements are a specific type of advertising that employs a celebrity or other professional to say good things about the product or service. In effect, that person is lending his or her name, and the equity that comes with it, to the brand.

Objective

The main objective is to garner faster brand recognition, association and emotional unity with the target audience. Celebrity endorsement if used effectively, makes the brand stand out, galvanizes brand recall and facilitates instant awareness thus the right choice of celebrity to use must be done by the marketers.

Review of Literature:

1. Endorsement Advertising: B. Zafer Erdogan
Published on 01 Feb 2010

Use of celebrities as part of marketing communications strategy is a fairly common practice for major firms in supporting corporate or brand imagery. Firms invest significant monies in juxtaposing brands and organisations with endorser qualities such as attractiveness, likeability, and trustworthiness. They trust that these qualities operate in a transferable way, and, will generate desirable campaign outcomes. But, at times, celebrity qualities may be inappropriate, irrelevant, and undesirable. Thus, a major question is: how can companies select and retain the 'right' celebrity among many competing alternatives, and, simultaneously manage this resource, while avoiding potential pitfalls? This paper seeks to explore variables, which may be considered in any celebrity selection process by drawing together strands from various literature.

2. LESSONS FROM THE RICH AND FAMOUS: A Cross-Cultural Comparison of Celebrity Endorsement in Advertising, Sejung Marina Choi University of Texas at Austin,
Published on 04 Mar 2013

Using celebrities to promote products is a popular advertising technique around the world. However, little is known about how the



implementation of celebrity endorsement varies according to dominant cultural values. This study content-analyzed television commercials featuring celebrities from two diametrically different countries--the United States and Korea--in terms of two fundamental cultural dimensions: (1) low versus high context, and (2) individualism versus collectivism. Findings of this study suggest that the strategic use and creative executions of celebrity endorsement mirror the respective prevalent cultural orientations in the two countries, although some similarities do exist. Extensive discussion and suggestions for future research are provided.

3.Exploring the relationship between celebrity endorser effects and advertising effectiveness

A quantitative synthesis of effect size-Clint on Amos, Gary Holmes &David Strutton,
Published on: 06 Jan 2015

This study provides a quantitative summary of the relationship between celebrity endorser source effects and effectiveness in advertising. The Kruskal- Wallis nonparametric test is used to identify the most influential celebrity endorser source effects on effectiveness. The role of celebrity/product fit, interaction effects, sample type, study setting, and country of study are also included as moderators. Results suggest negative celebrity information can be extremely detrimental to an advertising campaign. The source credibility model composed of celebrity trustworthiness, celebrity expertise, and celebrity attractiveness appears to capture the three most influential source effects on purchase intentions, brand attitudes and attitudes towards the advertisement.

4.Celebrity Advertising-A Review and Synthesis Jack G. Kaikati **Published on:** 02 Mar 2015

This paper reviews the current boom in celebrity advertising. More specifically, the objectives of this paper are fivefold: (1)to provide a historical overview of celebrities in advertising, and to discuss at least four types of celebrity advertisements; (2) to highlight the advantages and hazards of using celebrities in advertising; (3) to outline the FTC guidelines and other developments in the field; (4) to pinpoint the major attributes to look for in selecting celebrities; and (5) to review briefly the empirical research findings on the topic. The author concludes that communication research on celebrity advertising seems to be rather contradictory. On the one hand, there is a strong consensus that the number of celebrity ads has increased significantly over the past few years. On the other hand, research findings seem to indicate that celebrity endorsers are not as effective in the 1980s as they were in preceding years.

Types of Endorsement

There are different types of endorsements, mostly paid (but sometimes free, especially for charity), that brands have available to them.

- Using the Product of Service
This is perhaps the most common in sports and fashions. For example, Kobe Bryant and Michael Jordan are paid millions of dollars to be seen wearing Nike shoes. Medical brands will pay esteemed physicians, dentists, doctors

and other medical professionals to tell the world that they use a specific product. In all cases, the advertiser will work with PR firms to make sure the endorsement is seen by millions of people.

- Speaking on Behalf of the Brand
Appearing in ads for a product or service is another popular way for brands to use endorsements. Many major celebrities do this to earn millions of additional dollars every year although most opt to endorse products that are not seen in this country. Arnold Schwarzenegger has endorsed a variety of Japanese products.
- Unpaid Testimonials
Advertisers have the choice of paying someone to write or say something that can endorse the brand, but it's even better when that testimonial is completely free. This can happen in a few ways. A famous blogger, YouTuber, professional, or celebrity, can say something great about the brand. A famous example of this comes from England, and the TV chef Delia Smith. If she used a certain kind of cooking utensil on the show, sales for that particular model shot up ten-fold the following day. If a blogger gives a restaurant or salon a glowing review, it can see its business boom.
- "Fake" Endorsements
This is not to imply anything illegal going on. It is simply referring to the kinds of endorsements that come from actors who are "paid spokespersons." They appear as families explaining how wonderful the product is, or are "medical professionals" wearing white coats talking about the great product or service on offer. They have to be identified as actors in these

commercials, even if they are speaking the words of a real family or doctor, and therefore the power of this kind of endorsement is much weaker than the other three. Very few people watch an ad featuring an actor and think the product will be as good as it's stated.

Advantages of using celebrities in Advertising:

There are a number of advantages to using celebrities in advertising, whether you are running print, Internet, radio or television commercials. The key for small companies is making sure the local celebrity is relevant and has broad appeal. Popular celebrities often work best because they naturally generate lots of attention. However, despite their following, celebrities are most effective if they promote products or services they are most likely to use. In other words, they must be plausible consumers, such as a local newscaster wearing a business suit from an area men's store.

- Influence Consumer Purchases

The affinity consumers have for certain celebrities can greatly influence their purchases. People may have the attitude, "If the product is good enough for her, it's good enough for me." This philosophy is often the impetus behind advertisements for makeup, skin creams, hair products and attire. For example: Local consumers may also desire the same soft drink as their team's best baseball player.



- Build Awareness

Celebrities in advertising build brand awareness, according to "Supermarket News," a publication covering the food distribution industry. And they build it much more quickly than traditional types of advertising. Brand awareness measures the percentage of people who are familiar with a particular brand. Small businesses spend lots of money and time for exposure to incrementally increase brand awareness among consumers. The use of a local celebrity can do much to enhance consumers' awareness and understanding of what a small business offers.

- Position a Brand

Some small companies use celebrities in advertising to position their brands. Product positioning is placing a company's products in the best possible light in the minds of a target group.

- Attract New Users

One challenge small companies face is finding new users for their products. Local celebrities in advertising appeal to customers as well as those who have never tried the brand. The latter may be users of competitive brands. However, those who continually see the local celebrity in a commercial for a certain product may be convinced to try the product.

- Breathe Life Into Failing Brand

The use of a celebrity in an advertisement may also help to breathe life into a failing brand. For example, a small soap manufacturer might think about dropping a brand or product, especially if production and overhead costs are leaving little or no profit. However, the use of a celebrity to tout the benefits of the brand could help create new interest and excitement in consumers.

Risk Involved in using celebrities in Advertising:

Companies, indeed, have to be ready to manage some potential risks:

- first, endorsers are people and people can make mistakes and unfortunately, the mistakes of endorsers are played out in front of the public. That's why endorsement contracts came to an end between McDonald's and Kobe Bryant, Gatorade and Gillette. It's difficult to identify what exactly a brand should do when it's mixed up in a celebrity scandal.
- Second, celebrities could become less popular or they could simply change their image and this could result in a contradicting image of the endorsed brand.

- Third, consumers may be skeptical since they don't really know if a celebrity uses the product that he/she endorses.
- Fourth, as we said before, the cost of paying a celebrity to endorse a product can be astronomical and for this reason companies have to be sure to afford this.

Fifth, the fact that someone is famous doesn't mean he/she is a fit with any brand and that consumers will feel a connection with the celebrity.

Finally companies have to remember that, even if celebrity endorsements are used as a tool to build awareness and increase sales, they won't save your company if you don't already have a good product or service. This is just one part of your strategy for growing your company. Your focus still needs to be creating a fantastic product and building a marketing strategy to grow your sale.

Factors considered while choosing a celebrity for endorsement advertising:

Here are five things to consider when deciding on a potential celebrity for endorsement:

- Don't pick just any celebrity-

As an entrepreneur starting a new business, it can be tempting to just latch onto any celebrity who offers his or her services as a potential endorsement partner. Be patient, scout plenty of potential options and make the most informed decision possible when agreeing on a celebrity to endorse your product.

- Make sure your brand is well represented-

While no one can predict the future, there are clearly some celebrities that offer huge risks even though they might also provide wide appeal for example, athletes such as Kobe Bryant and Tiger Woods were surest things in the world when Nike first signed them, but scandals later in their careers proved to be a black eye to the brands whose products they endorsed.

- Be prepared to pay for good ones-

The bigger the star, the more expensive they are going to be, but sometimes, if your idea is good enough, you may be able to work out a deal in which a celebrity may actually get some equity in the business in exchange for his or her contributions to the marketing side of thing.



- Be aware of a celebrity's reach-

It is surprising sometimes which celebrities actually reach the most people. Those with a strong social media presence could be more valuable to your brand than those that stay away from Twitter and Instagram .

- Make sure the celebrity will stay involved-

Whether or not the celebrity endorsing your brand has equity in the company, it is important to encourage them to actually stick with the program and be reliable in taking advantage of personal connections while remaining active on social media to the business' advantage.

So there is no question that celebrity endorsements work, especially for new

businesses that need increased visibility quickly, but not just any celebrity will do. Choosing the right one requires careful consideration because as wonderful as a good celebrity endorsement can be, a bad one can be equally hurtful. So choose wisely, and hope that any famous person pushing your product is sincere, reliable and, most important, marketable.

Websites:

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2. www.economictimes.com
3. www.searchenginejournal.com
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5. www.eajournals.org