

Consumer Behaviour
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Lecture - 26
Role of Celebrity Endorsement

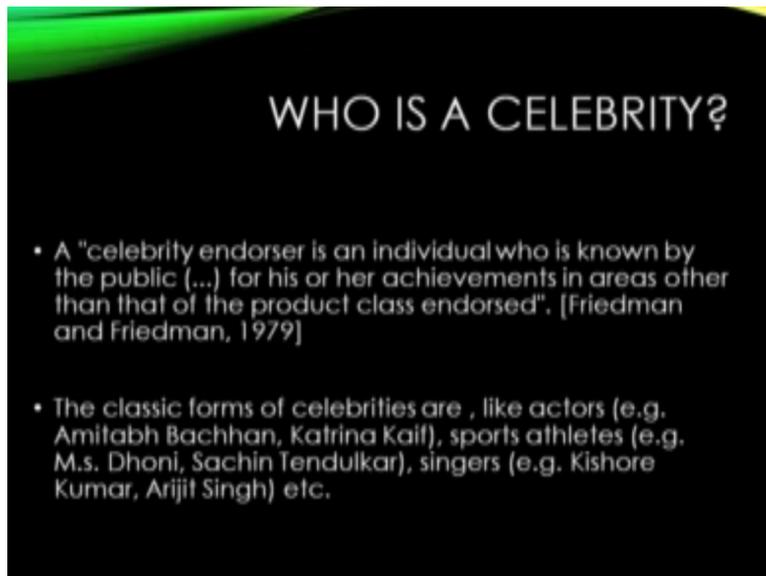
Welcome. Now we are going to discuss about the role of celebrity endorsement in consumer behaviour and I am Dr. Srabanti Mukherjee from Indian Institute of Management, Kharagpur. I will take you through with this topic.

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What is the context? Celebrity endorsement on overall brand is no doubt an important concept. Now the upsurge of celebrities endorsing the brand has been gradually escalating across syndicates and marketers overtly admit the persuasion power of the celebrities influencing the customer purchase decision.

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But who is a celebrity. So a celebrity has been defined by Friedman and Friedman in the year 1979 as an individual who is known to the public for his or her achievement in areas other than that of the product class endorsed. It may be like Sachin Tendulkar in cricket. It maybe M.S. Dhoni in cricket. It maybe Amitabh Bachhan or Katrina Kaif in as actors, Sharukh Khan as actor, Kishore Kumar or Arijit Singh, Lata Mangeshkar as singers.

And it maybe even the fashion designers like Sabyasachi Mukherjee and Agnimitra Paul.

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Now the earlier researchers in this field. Shimp in 2000 has said that it has been estimated that in United State approximately 25% of the commercials are using celebrity endorsement. Our situation is not very different also. Researchers stated that like Dean and Biswas in 2001

they have said that celebrity endorsement improves attractiveness of the advertisement rating and augment product values in the customers mindscape.

Subsequently Erdogan in 2001 has said that not only this increases the product value and the product sweating in the mind of the customer but also it boosts up the firm's financial performance because it can sell more.

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In 1983 Atkin and Block, they have said that this particular phenomenon it might be occurring because of the fact that often the customers are convinced that celebrities are motivated by genuine affection towards the product by promoting the scene rather than only motivated by the endorsement fees.

But however it is whatever maybe, but the customers whenever we are using any celebrity or the marketer is using any celebrity they actually bequeath a special trait up on a product that it may have required for augmenting its brand value. Like Aishwarya Rai in L'Oreal Shampoo. Aishwarya was Miss World and she is a very beautiful film star, so her beauty, her elegance has been transmitted in the meaning of L'Oreal.

So obviously that has enhanced the brand value, although L'Oreal itself is a good brand.

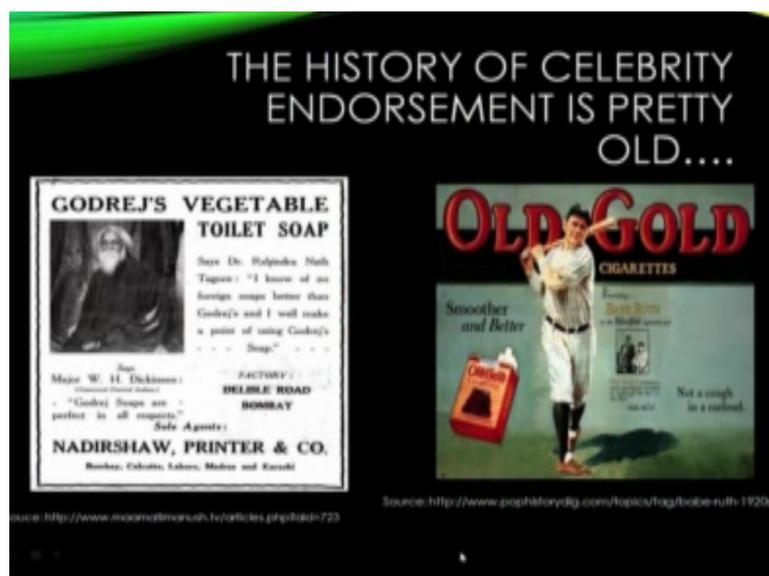
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We assume that the celebrities are more trustworthy, believable, persuasive and likeable and Till and Shimp in 1998 said that therefore a celebrity may endorse any brand but to consistently associate the right brand with the right celebrity in the right way is very important. Amitabh Bachhan is a power celebrity to endorse a brand, obviously he augments the brand's value. But with which brand name associating him?

Am I associating him with a just a (()) (04:23) brand or I am associating him with the brand Reid and Taylor or whether I am associating him with Kalyan Jewellers and in what way I am showing that is quite important and that is where the marketer has to actually emphasize.

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The history of celebrity endorsement is not new. It is pretty old. As we can see in one side the Godrej's vegetable toilet soap was endorsed by Rabindranath Tagore long back and Old and

Gold, this was promoted by Babe Ruth, he is a phenomenal baseball player. So this again it was probably in 1920s. So these are all long back which has been designed. So this concept is not new. This is a very cultural practice.

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So now the upsurge has started from 1980s actually and most of the brands which has financial capabilities made no delay in roping Bollywood stars as well as the popular cricketers to endorse the brands. Advertisement featuring stars like Tabassum or prestige pressure cookers, prestige is also being promoted by Aishwarya Rai and Abhishek Bachhan these days, Jalal Agha or Pan Parag that time, Kapil Dev for Palmolive shaving cream, Sunil Gavaskar for Dinesh in 1980s.

These are some of the very popular advertisement that time. However, the pioneering brand that encashed celebrity power as a part of both strategic positioning and a long term mission was probably *Lux*. Mostly due to its association with the bollywood divas, *Lux* has been almost the top three soap brands in the country till it has been launched.

Because it has very slowly made a transition from one celebrity to another celebrity, film celebrity, particularly the bollywood movie stars whosoever is popular at that point of time. So that is how from Madhuri Dixit to now to whom we are seeing is Kareena Kapoor, in between also there were some other celebrities, Aishwarya Rai who were promoting *Lux*. So it has made a very gradual and smooth transition that way.

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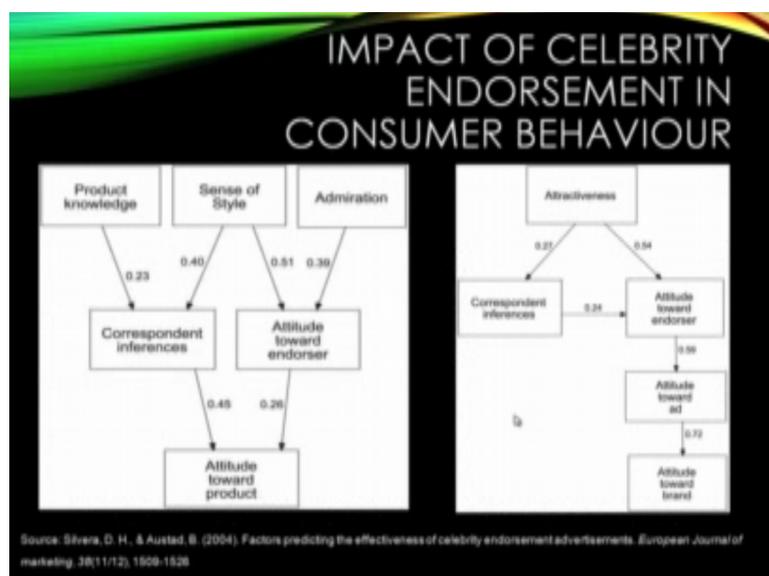
SOME MORE FACTS

- Of late, we have seen Shahrukh Khan, the Bollywood superstar in *Santro* campaign with the objective of extenuating the hindrance that an unfamiliar Korean brand faced in the Indian market.
- No doubt that the intention of *Santro* was to harvest faster brand recall and recognition, association, and emotional ties with the prospective customers.
- Effective celebrity-brand association can no doubt create magic in the present consumer-centric era.
- This was further proved by successful endorsement done by Shahrukh for *Pepsi*, *Clinic All Clear*, and *Santro* down the time line. This is the reason why Bollywood stars Bipasha Basu and John Abraham had been used to launch the *Clinic All Clear* advertisement in Mumbai.

So I will like to tell some more facts. So of late we have seen Sharukh Khan the Bollywood Superstar in Santro campaign with an objective of extenuating the hindrance that an unfamiliar Korean brand may face in the Indian market. No doubt that the intention of Santro was to harvest faster brand recall and recognition association and emotional ties with the prospective customers.

Effective celebrity and brand association can no doubt create a magic in the present customer centric era. So this was further proved by successful endorsement done by Sharukh Khan for Pepsi, Clinic all clear and Santro down the timeline. This is the reason why bollywood stars like Bipasha Basu, John Abraham had been used to launch clinic All Clear later on in a Mumbai based advertisement.

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Now different studies has been conducted to judge the impact of celebrity endorsement in consumer behaviour. So I will refer to a particular study of D. A. Silveira and B. Oxted and here they have conducted a study to two groups and this study was published in European journal of marketing in the year 2004. And they have actually come out with two different models. Based on two groups of customers behaviour.

The first group seems to be very rational. This is this part, they seem to be very rational where you can see that this is the attitude of the product and we see after the celebrity endorsement how attitude towards the product is formed by the celebrity. So here not only the attitude towards the endorsal like Shahrukh Khan matters or Amitabh Bachhan matters or Jaya Bachhan matters, it also matters about that. Another influencing factor is actually the correspondent influences or correspondence bias.

Now this correspondence influences are coming from two things. The product knowledge of the celebrity and the sense of style of the celebrity. Now I am taking a very recent example, say Kalyan Jewellers or Tanishq, those are featuring Amitabh Bachhan and Jaya Bachhan as husband and wife. Now first of all if I say Kalyan Jewellers Gold and Diamond Jewellery, to what extent Amitabh Bachhan, is a customer's believe actually.

As a customer how do I believe that Amitabh Bachhan and Jaya Bachhan is having good knowledge about diamond and gold jewelleries. This is first is how much product knowledge they are having, so this is my first consideration. They are good movie stars but how much product knowledge they are having about that. So probably in one of the Tanishq ad it was shown that Amitabh Bachhan went to a store.

So he wanted to gift Jaya Bachhan during the anniversary some diamond jewelleries and he wanted to know about, so he has collected more knowledge about diamond from a store salesperson and that he is communicating to his wife. That was one of the ad of Tanishq, if your remember. It was just shown some time back. So which clearly shown, we wanted to project that how much a product knowledge a celebrity has gathered or is his having. And second is a sense of style. Usually what kind of jewellery this person is wearing.

This particular celebrity is wearing. Is he wearing the jewellery which is usually the products like Kalyan Jewellers the same kind of designs he is wearing or his sense of styling is

something different. So these two things one is the product knowledge and another is the sense of style that creates a correspondent influence to the customers. Correspondence influence which means that how much the celebrity is likely to use that particular brand which he is promoting.

So this is the particular thing and then is the admiration part, how much we admire a particular celeb. How much I admire Jaya Bachhan and Amitabh Bachhan and therefore I develop an attitude towards and endorsal particularly. So therefore this product knowledge and sense of style develops correspondent influence and admiration and sense of style develops attitude towards the endorsal.

And these two actually develops attitude towards the product that means in this case I am talking about the Jewellery, Kalyan Jewellers or Tanishq Jewellers, what kind of attitude are developing about the project after the celebrity has introduced or endorsed the product. This is one group of customer who are quite rational because they are not only moving by the fame and wow factor of the celebrity towards the celebrity but they are also thinking towards some rational queues that is the product knowledge and the sense of style.

Now the second group of customers are more towards the emotional. They are more directed towards emotional part. So in this kind of customer you can see, the first look for the attractiveness of the celebrity. And then some kind of correspondence inference is there, like how much Aishwarya Rai uses the L'Oreal shampoo maybe or how much Kareena Kapoor uses the Lux floral soap. So that I may think to some extent.

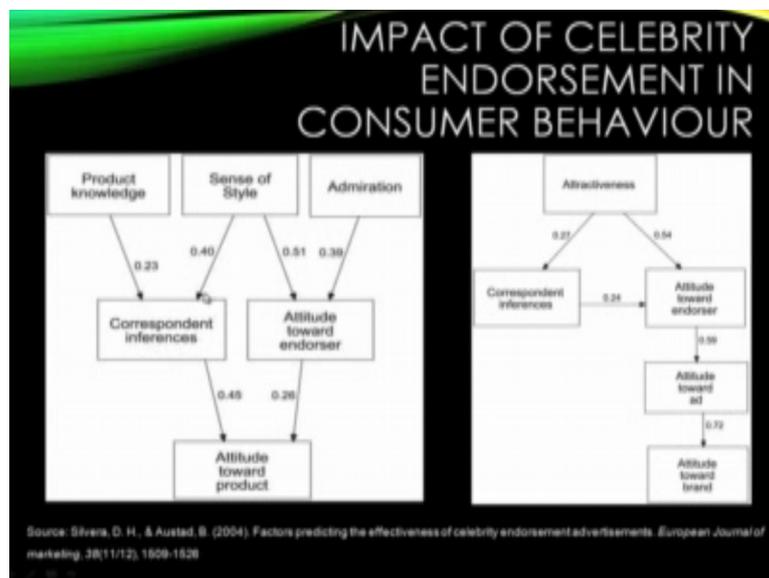
But more of, because I like Kareena Kapoor or like Aishwarya Rai, my attitude towards the endorsal is always positive because of their own attractiveness to me. And therefore I am very positive about the ad. So although correspondence influence has some impact, but if you see in that particular study of Silviera and Oxted. You can see the relevance is more towards, you can see the coefficient here.

The relevance or the correlation with attractiveness and attitude towards endorsal is quite stronger than the correspondence influence and attitude towards the endorsal. And this point 0.54, it is 0.24 in this case. So which means, it is more of the attractiveness of the endorsal which actually develops attitude towards ad and in turn attitude towards a particular brand.

So these are little bit of emotional group of customer and this is a group of a rational customer. Now this is again, why I was citing the example of Kalyan Jewellers here is because if the product is of more expensive and it is more of a high involvement one, you actually behave more like this script one.

And if it is like, soap or shampoo or where your involvement is there but still it is not so expensive. You can still replace it in the next month. You can buy a different brand of shampoo in the next month if you do not like it. You can buy a different soap in the next week if you do not like a particular soap. So therefore you are more emotionally charged and in this case you are more rationally charged. Or you are charged both emotionally and rationally.

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So now we come to a different thing, that is what is the advantage of celebrity endorsement and I will also discuss what are the disadvantage of celebrity endorsement. The advantage of celebrity endorsement is mainly like augmenting the credibility of the product. Endorsement of a brand by star this augments the credibility for the brand amongst the target audience, particularly in case of new products.

And that is how I told you about Shahrukh Khan how his association has facilitated the brand recall for Santro. Second is breaking the clutter. Celebrities break the clutter of advertisement and draw the attention of the target. That is why sometimes even if these celebrities image is not matching with the brand's image, in that case also the celebrity is used to promote the brand.

For example, a customer may be a little doubtful about whether Amitabh Bacchan really uses Boroplus or not, but still while showing Amitabh Bachhan in the Boroplus ad, may create a recall effect of the brand when the advertisement is shown in a clutter. Which means, within a serial or a soap, in a five minutes slot maybe around 10 advertisements or 7 advertisements have been shown. So how do I remember and recall a particular ad?

Because Boroplus, Boro Calendula, Borolin do not have much perceived difference. So how do I remember? How do I differentiate? So therefore maybe the face of a celebrity sometimes is used to break the clutter.

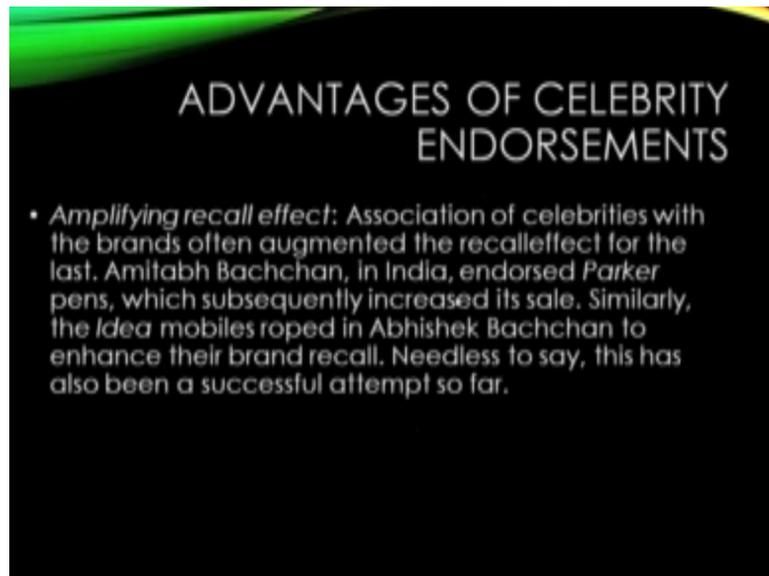
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Then we have the peer coverage. As you can see here managers recognize the importance of celebrities to craft the high peer coverage also. In this context one may recall the campaigns of Spice Girl, one of the world's leading pop group. This group apart from featuring in Pepsi's advertisement as a part of endorsement also appeared in several other product and peer activities.

And as I said, amplifying the recall effect. Association of celebrities if I like a particular celebrity, the recall effect would be much more. For example, Amitabh Bachhan for Parker pens or Idea Mobile's Abhishek Bacchan, obviously this has worked very well to augment the recall effect.

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Sometimes for revamping the tarnished image of a brand the companies or the manufacturers they use celebrities in their endorsement. If you remember that Cadbury's India wanted to reinstate the consumer's assurance in its chocolate brand, after the high pitch worms – In some year back there as a packaging issue of Cadburys and there was in issue like whether this particular product is not of good quality because some worm issue was there.

So in that case, Amitabh Bacchan when we was roped in to endorse the brand has obviously revamped the brand again. Some years back when again for Coca Cola and Pepsi, there was some problem that, there was a negative order mouth against this that in the bottles of this soft drinks some existence of fungus was found. So immediately Coca Coal roped in Aamir Khan who used to say, who used to portray an image of an suspicious Bengali man.

But ultimately accepts coke as a safe product because he was very skeptical, he was not accepting, that the product is safe. He was saying that in different laboratories, it was tested and they are saying it is an unsafe product, so will not allow my family to have it, but later on his wife convinces it and he accepts the brand. So this was Aamir Khan's was projected here. Similarly, for Pepsi they have roped in Shahrukh Khan and Sachin Tendulkar in their commercials to convince the customers about the safety aspect of the bottled beverages.

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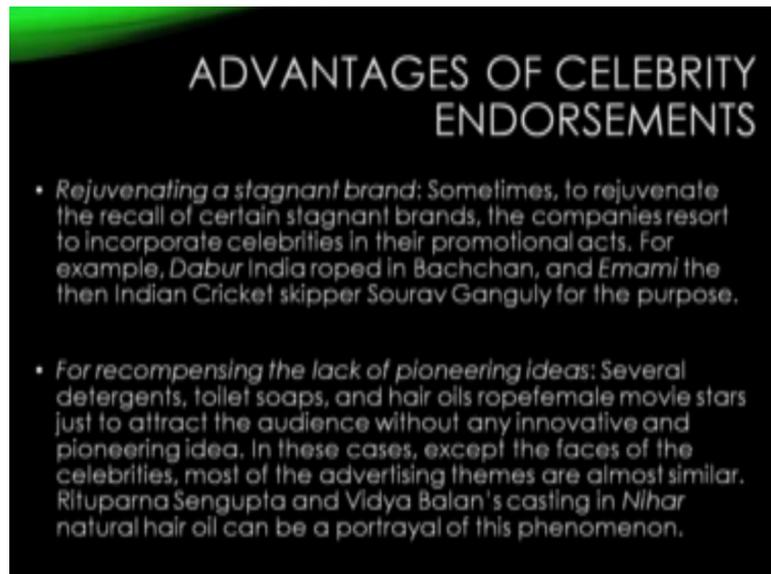


Now psychographic connect, celebrities who normally appreciated and venerated by their fans and advertisers utilize the stars to make the most of this feelings to influence the fans towards the brand. And it is mostly the psychographic connect and demographic connect because the young cricketers mostly they are connected with the energy drinks, then may be this stylish watches, may be the phones, may be the gadgets, some laptops or some iPads this kind of gadgets.

They may be used whereas these celebrities they are young, they are energetic and they are fashion conscious because they are affluent also. So that psychographic and demographic connect many a times can be used so that the customers can think that the aspirational group is using the product, so that is why they also maybe included towards that particular brand and of course because of celebrities are widely accepted by the public.

So therefore they obviously create a widespread appeal.

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Sometimes for rejuvenating stagnant brands celebrity endorsements are made, like to rejuvenate the recall of certain stagnant brands like Dabur India roped in Amitabh Bacchan, Emami roped in Saurav Ganguly for Sona Chandhi Chavanprash to program the brands. For compensating the lack of pioneering ideas sometimes like in Nihar Natural, we see Vidya Balan.

So sometimes we do not have enough idea or product cannot be differentiated with the other competing brands. So that time and even the message is not so unique. So in those cases for toilet soaps detergents or hair oils usually these celebrities are roped in.

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Now celebrity advertisement is not always a very good thing. It may be kind of adverse thing for the brand also. So the marketer has to be very cautious, they have to be positively using

the celebrities to build up their brand image but they should be equally conscious that because of the celebrities their brand image should not be tarnished also. So what are the disadvantages let us discuss. First is the vampire effect.

Vampire effect means when celebrities image overshadows the brand. So there the people remember the celebrity more than the brand. So it happens when there is lack of connection between the celebrity and the brand, okay? So people recall celebrity more than the brand recall. So like Leonardo Rossiter and Cinzano it may be like visa card and Sachin, Castrol and Rahul Dravid, so these are some of the example of this kind of vampire effect.

Now, effects of image fluctuation of this celebrity. Now if the celebrities image is tarnished over a period of time because celebrities are living beings, they are not god. So therefore they are living beings and they may experience underperformance, they might be engaged in some scams and scandals.

So if that happens with them the brand image can also get tarnished. So at that time the marketers have to be very careful. In the similar way I can see that Pepsi Cola series they have series of shambles with 3 marked celebrities, Mark Tyson, Madonna and Michael Jackson and impact of Tiger Woods scandals on Accenture imply that celebrity endorsement may also sometimes turnout to be a burden to the brands they are endorsing.

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So discrepancy in the professional popularity of the celebrity. This is because of you know their performance might deviate across the years. A classic example I will like to share here is

the case of Mayur suiting shirting. Mayur was a brand from Rajasthan spinning and weaving mills RSWM and it is one of the largest textile manufacturers in the country with the turnover of Rs. 1,500 crores.

And 30 years back it was launched. Till 2007 it has captured a steady market of 7% in the 10,000 crores Indian suiting shirting market. Now Mayur was specially famous for its predilection for celebrity endorsement. In 1980s Dinesh used to be endorsed by Sunil Gavaskar started the practice of celebrity endorsement in the government manufacturing industry. Siyaram also followed the same footsteps. Siyaram now uses MS Dhoni.

Now Mayur was a major competitor of Dinesh and Siyaram and they became noticeable since 1995 when Shahrukh Khan started introducing this particular brand. And in the four years 1995 to 1999 the use of tagline Shahrukh Mayur Khan, this was a big hit because Shahrukh Khan when he started advertising for Mayur was a rising star but by 1999 he was a famous and so was Mayur that time. It also succeeded.

But what happened, across the year, when Shahrukh Khan's contract was over that time he started advertising for Belmonte which is a competing brand of Mayur and Mayur started getting promoted by Chandrachur Singh because Maachis was a movie which was released at that time and Chandrachur Singh was the hero but the problem was after this Movie Chandrachur Singh could not make much impact in the Bollywood industry.

So therefore over a period of time, they have to drop down Chandrachur Singh from the ad and then Sharad Kapoor, Lisa Ray and Virendar Sehwaag logically promoted this particular brand. Mayur the problem, again Virendra Sehwaag's form also started fluctuating and Mayur finally withdrawn him also from the ad and now Salman Khan promotes Mayur and now it looks little stable.

But here the problem with Mayur is it did not talk about its favorite much, it did not talk about product quality much. It only went on the celebrity and that is why it faced a problem when the contract with Shahrukh Khan was over and Sharukh Khan started promoting Belmonte. So this kind of problem can occur if you too much rely on the celebrity.

And again the same thing is celebrity endorsing one brand and consuming the competitor brand. For example, if celebrities promoting for Coca Cola and he is consuming Pepsi that has been somehow captured in social media or a public media then it creates a lack of belief amongst the customer about that particular brand.

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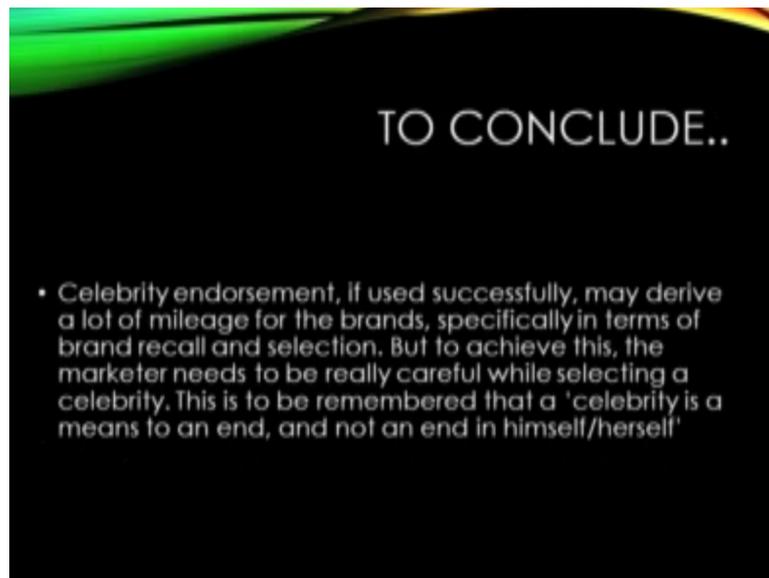


Then another one is multi brand endorsement by the same celebrity can create a kind of confusion and over exposure. Confusion about the brand and over exposure of the celebrity. Same thing has happened with Amitabh Bachhan, then Shahrukh Khan, Aamir Khan, Sachin Tendulkar, off late MS Dhoni, they are promoting several kind of brands, like when Amitabh Bachhan is endorsing for Reid and Taylor, Parker pens and Navratna Hair Oil and Boroplus.

So a person may be confused to understand that exactly how a brand is like. Like if Amitabh Bachhan is advertising for Reid and Taylor there is a particular kind of image he is portraying. But when he is promoting Navratna Cool Cool different kind of image he is portraying. So what are the actual brand wants to communicate to the customer, the customer often get confused with it.

Then disparity between the celebrity and image of the brand. Sometimes it really did not match the celebrities image and the brands image does not match and that time again the customers are confused.

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So to conclude we can say that celebrity endorsement if you successfully may derive lot of mileage for the brand, but especially for brand recall, brand selection and brand preference. But to achieve this a marketer really need to understand the match between the celebrity and the brand and they should remember that celebrity is a means to an end and not an end in himself or herself.

So this is all about the impact of celebrity endorsement on consumer behaviour. Thank you and will meet in the next session with family decision making.