

## WHY CELEBRITY ADVERTISING IS THE ICING ON THE CAKE AND NOT THE CAKE

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### ABSTRACT

*Advertising is the cornerstone of sales in a market cluttered with competing products vying to grab consumer eyeballs. Over the years, product marketing has increasingly hinged around tapping into the collective conscience of the end user by getting a celebrity to endorse the product. In India, brand endorsement by celebrities has become an essential feature of introducing a new product in the market or pushing an already existing one through the labyrinth of the high-pitched and cut-throat Sales Pyramid to the top. This paper attempts to study the outreach of celebrity endorsement; understand if it is the surest way to increasing brand recall and sales; and find out if advertisements without celebrities have an impact, if not greater than, atpar with the ones they endorse in the open market. In arriving at the aforementioned conclusion, the paper has studied the best advertisement campaigns in terms of holding public interest. The paper draws from the sales quotient (wherever available) of the brands whose advertisements were believed to have had the best recall value among the audience. It also assists in understanding how customer perception affects celebrities and how they as brand ambassadors impact manufacturers. To arrive at an understanding, brand campaigns which hired celebrities to advertise their products were segregated from the products that didn't. The upshot of this exercise is a revealing trend, which shows celebrities believed to be a powerful persuasive tool for creating demand for a product, far from being the endgame for product endorsements without them, cannot by themselves, push a product unless it comes with substantial value and connects with customers.*

**KEYWORDS:** Advertising, Celebrity Endorsement, Cut-Throat Sales Pyramid, Brand Campaigns.

### Introduction

#### Why Celebrity Endorsement?

Jo dikhtahai, wohbiktahai (That which is seen, gets sold). This maxim has aged well in the context of drawing out consumers through advertising. To understand, why brands go for celebrity endorsements, we go back to the roots of advertising, how it came into circulation as a product-pusher and how this concept evolved over the years. According to verifiable reports, the first documented model of advertising has been traced back to 1760s when a business house retailing pottery and chinaware first employed royals to add value to its products. According to Celebrity Endorsement–Through the Ages (2004)\*, “Josiah Wedgwood, the founder of the Wedgwood brand of pottery and chinaware, also called the father of the modern brand, used royal endorsements and other marketing devices to create an aura around the name of his company that gave the brand a value far beyond the attributes of the product itself.”

Since then both the nature of celebrities and the nature of celebrity endorsements has evolved and transformed radically. Royals faded over the years and by the 19 th century, sportspersons emerged as the first choice of celebrity endorsement. Their pictures were on the trade cards and collectibles,

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which baited the consumers to buy more of those products. By the middle of the 20th century and after the end of the World War II, artists, particularly actors, were in vogue and brands capitalized on their endorsements to add premium to their value and winning edge to their sales. In India, the first revolution in advertising came about after the introduction of television in the 1960s when mass media brought performers in movies and cricket to our living rooms.

One of the first sports endorsements in India was when cricketer Farokh Engineer modeled for Brylcreem earning him the title Brylcreem Boy. But it was actress Leena Chitnis who is believed to be the first celebrity to endorse a body care product in India. According to SA Chunawalla\*(2006), in 1941, Lux soap, which has always used film celebrities for endorsements, signed on Chitnis to endorse their brand. Chitnis was then a star of fledgling Indian cinema. The second phase of spike in advertisement campaigns struck home with sweeping reforms in the economic policy where the then prime minister PV Narasimha Rao opened the country for global trade and with it the floodgates for advertising.

### **Who is a Celebrity?**

The Oxford Dictionary\* defines a celebrity as: A famous person, especially in entertainment or sport. The next inevitable question is: who is a celebrity endorser. In his study, who is the Celebrity Endorser? Cultural Foundations of the Endorsement Process\* (1989), author GrantMc Craken defines celebrity endorser as, "An individual who enjoys public recognition and who uses this recognition on behalf of a consumer good by appearing with it in an advertisement." Celebrity endorsement, in effect, refers to a marketing strategy, which involves engaging a celebrity with a product to help leverage the brand's value by borrowing the endorser's recognition and promoting the product among his followers. This brings us to the original query as to why companies model their sales strategy around celebrity endorsement? There are two broad sets of explanation to this phenomenon in context of sales and promotions in the Indian market. The first one is the instant connect between the brand and the consumer that is widely believed to be forged by a celebrity. This is a universally accepted ploy, which has similar spin-offs in India. This also includes the incremental values of the brand transfer from the celebrity to the product endorsed. The second is more psychological, tending to the molding of our consciousness in a diverse, multi-lingual, inter-faith and caste-based ecosystem where celebrities tend to become one of the most effective unifying factors in the incredibly huge and scattered marketplace.

#### • **The Connect with a Consumer**

There are five Cs that broadly make the spectrum that defines a captive demand in the market that a company needs to tap to get a product to the end user. In a given market there are innumerable products that are competing in the same space—Category, Content, Cost and Consumer—for one common end: Salability. Category is the segment in which the product or the product range is put up for sale. This may refer to more than one product of a kind (For instance, body care products can range from dental hygiene to soaps and deodorants) or several variants within one same product. (This would refer to multiple soap brands or toothpastes that are made available to a consumer by the same manufacturer or by different companies who make a similar product). Content is the raw material used to produce a product. Cost refers to the pricing of a product vis-à-vis its competition in a given category. Consumer is the end user who makes the final purchase that leads to the product being brought and used.

Herein comes, the last and the most important constituent in a sales strategy, that of choice. How do you influence the choice of a consumer overriding similar attributes in category, product content and cost? The surest way is to influence the consumer's choice. Celebrity advertising without doubt works as a catalyst to this end serving the purpose of both the brand and the product manufacturer in terms of brand presence and product sales, respectively. Celebrity endorsement, therefore, is a climb up the ladder of perception and brand association for a product in the quickest possible time, but at a substantial cost compared to conventional advertising.

There are many examples of product launches whose acceptability in a market loaded in favour of competing brands were shaped by a reigning celebrity. Hyundai, the car major chose actor Shah Rukh Khan as its brand ambassador for its iconic hatchback model Santro. Actor Amitabh Bachchan stepped in as the face of Parker pens when the brand needs a push in the Indian market. More recently, e-retailer Snap deal opted for superstar Aamir Khan to endorse their online shopping store to drive its sales in wake of stifling competition from international giant Amazon and homegrown rival Flipkart. In all the aforesaid cases, it is undeniably true that the brand got the awareness and recall value in a very short period of time. Santro became the second largest car brand after the homegrown Maruti. The company's association with the actor is now two decades old, with the latest endorsement extending to its renovated

mid-sized sedan Xcent. Luxor, the company that retails Parker brand in India, ended up touching Rs.100 crores rupee turnover after Bachchan's endorsement of the product and has renewed its contract with the ageing movie superstar to sell its uber pens. This over-the-top success story can be accessed from a report in Hindu\* newspaper in 2002 where the company's then managing director, DK Jain shares his ambition of taking Parker sales from its Rs. 45 crores assessment to the Rs.100 crores benchmark. According to the Forbes India\* report, Parker notched up Rs. 96 crores in turnover in 2013-14 and was aiming for Rs.118 crores in 2014-15. But not all associations are mutually profitable. Sana deal had to wash its hands off Aamir Khanto steer clear of the controversy that came haunting after the actor's remarks on intolerance in the country. The e-commerce giant didn't renew its contract with the actor in 2016 and is in deepwater's and looking for buyers.

- **The Psyche of Indian Customer**

Unlike other countries, India is more diverse a country with perceptible difference in cultures, customs and practices across its length and breadth. With faith added to the plurality, we as a people make for a far difficult and diverse group to be held together by a brand for sustainable period of time as our upbringing in such a complex narrative tends to influence our choices in the minutest possible way in real life. Nothing unites us like a well-plotted movie or a great game at cricket which is the de-facto national sport and completely overshadows hockey, the national game.

Because of our fascination for sports—more and more sportsmen outside of cricket have now started to endorse products which inadvertently signifies the growing acceptability of sportsmen other than cricketers—and movies, celebrities who excel in these professions and boast of a mass following are the easiest access for a brand looking to approach a large section of consumers from different backgrounds in one go. This doesn't mean that celebrity endorsement is the only means to that end. It is just one of the easier and less time-consuming means to grab a target group's attention.

While there no conclusive data to establish the percentage of advertisements that ride on celebrity endorsements in India, a study of different reports places the number of such advertisements to 50% of the campaigns in the country. According to a 2015 study—Celebrity endorsements in India\* – “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.”

According to authors and researchers (Abhishek & Arvind, 2013), study revealed that celebrities in India are on such high pedestal that over 60% of brands in India use celebrities to push products, compared to 25% in the US. A 2013 Business Today\* report quotes Manish Porwal, Managing Director of celebrity brand consultancy Alchemist, who points out that a quarter of ad campaigns in 2000 featured famous people, mostly big actors and cricketers. “Today, with the rise of successful people in several other fields, three in five ads have a known face,” Porwal is quoted in the story focusing on celebrity and niche endorsers.

- **Is Celebrity Endorsement of a Brand Conclusive?**

The answer lies in both the emotional connect and the purpose of product purchase. If either of the two flounders in the delivery mechanism, the product is bound to go down the slippery slope of failure in spite of being packaged with a little stardust off the celebrity shelf. The following cases explain how celebrity endorsement can be double-edged weapon for the companies opting for this marketing strategy irrespective of the financial outcome of the association.

- **When Celebrities Couldn't Save the Brands:**

- **Case 1 (Snapdeal's endorsement by Aamir Khan):** Snap deal, as a case, helps understand why endorsements by celebrities need not necessarily ensure sustainable revenues, as it is also revealing of how fickle public's association with a celebrity endorser can be. Agitated Indians started removing Snap deal app from their mobile phones in an attempt to downgrade the app's rating on the Android and Apple mobile stores after Khan's remarks on intolerance. His disassociation with the e-commerce player followed and the company he chose to endorse is now finding it difficult to sustain its business model and retain investors. Some of them, global majors like Foxconn\*, are writing off their investments in the beleaguered company.
- **Case 2 (Amitabh Bachchan's endorsement of Maruti-Suzuki Versa):** Amitabh Bachchan who helped turn around the fortunes of Reid and Taylor Fabric Company and Parken pen, couldn't save Maruti-Suzuki's Versa from a Titanic fate. Bachchan was roped in with his actor-son Abhishek to sell the luxury van in 2001. The brand was re-launched in

2004 with new campaign and a drastic price cut, but buyers stayed away. Marketing Practice\* reports that "In 2004, Maruti relaunched Versa with a base price of Rs 4 lakh... The lack of customer enthusiasm translated to inventory pile up and sluggish volumes for Versa." Maruti discontinued Versa in just over a decade after miserable sales.

- **When Celebrity and Brand Went Separate Ways**

- **Case 1 (Salman Khan's association with Thumbs Up):** In 2016, soft drink company, Coca Cola, disassociated with actor Salman Khan who endorsed its product Thumbs Up for four years. The separation came in wake of his remark in favour of artists from Pakistan working in Indian movies after terror attack in Uri the same year. The company, however, played down the decision claiming it was due to Salman's association with a TV show that was being sponsored by a rival brand.
- **Case 2 (Virat Kohli and Pepsi):** India cricket captain, Virat Kohli decided to sever ties with carbonated drinks major Pepsi after 6 years of association this year. Business Insider, The Economic Times and Indian Express reported that cricketer who is one of the highest paid celebrity endorser decided against renewing the contract with Pepsi on grounds that "If I myself won't consume such things, I won't urge others to consume it, just because I'm getting money out of it."
- **Case 3 (M. S. Dhoni and Amrapali):** Cricketer and former skipper, MS Dhoni terminated his contract endorsing realty firm Amrapali after irate residents of a company's housing project in Noida, UP, tagged him on social media and demanded he step down as its brand ambassador over failed promises. Both the company promoter and Dhoni issued statement to this end, confirming the end of celebrity endorsement in April last year.

In all the above cases, public perception was centric to the decisions taken by the brands and their endorsers, or both. The brands here were perceivably recognizable and stable. Yet they chose to part ways with their endorsers in spite of a successful partnership and stable financials. These cases are reflective of the psychology of consumers in India who share a deep emotional connect with the celebrities, but have started to believe that celebrities should also practice what they preach. These cases shatter the perception that celebrities are the indisputable "go-to persons" for branding and retailing a product. They reveal that even celebrity decisions to endorse products are governed by a moral compass that gets transferred to them from the consumers they are attempting to influence.

- **Why you can do well without Celebrity Endorsement**

Products if retailed on their core strength can do without a celebrity. Of the top ten most viewed advertisements in 2016 (based on the hits garnered on the YouTube\*) six out of ten advertisements do not have a celebrity endorser. If we refine the search further, of the top three brands, two (Bajaj V motorcycle and Amazon India) don't employ a celebrity product pusher, while the third Make My Trip has Bollywood stars Alia Bhatt and Ranveer Singh promoting the travel app. Hook, Line and Clincher, a website that reports on market analysis, also lists the top ten marketing campaigns of 2016 based on emotional connect with the end user. There is barely any celebrity ad that makes it to the list\*. Even state government campaigns like Rajasthan Tourism and Government of India's Swachh Bharat Abhiyaan campaign find a place besides global major Nike's Da Da Ding India campaign on the list. None of them have employed a celebrity endorser. There are, therefore, products which haven't used a celebrity for sales and have done exceedingly well in brand introduction and brand repositioning both of which shall be amply put into context by the following cases.

- **Case 1 (Bajaj V) Brand introduction:** Leading manufacturer of two wheelers in India, Bajaj Auto, introduced its flagship brand V in the motorcycle segment in February. Its campaign is built around the battleship INS Vikrant that was retired and decommissioned from service recently and how the company used its metal to forge parts of the bike that was branded around its insignia V. No celebrity was hired to launch the product. And yet, according to Time of India report\* dated July 25, the sales of the bike crossed the 1 lakh-mark in just 4 months. A May, 2017 report of the Economic Times\* claims motorcycle V from Bajaj is among the top ten largest selling bikes.
- **Case 2 (Fevicol) Brand repositioning:** Pidilite Industries hasn't used a celebrity to endorse its adhesive products under the brand name Fevicol. But its association with Ogilvy & Mather, advertising firm, has over the decades not only managed to connect with its users, but has also

transitioned from a product of industrial use to a popular retail product. A 2012 Forbes India states that at \$614 million (in revenues), Fevicol is the largest-selling adhesive in India, commanding a 70% market share in the white glue segment. Forbes reflected: Its award-winning TV commercials-one shows a hen laying an unbreakable egg after it was fed from a can of Fevicol-have made it virtually a household name, familiar to not only carpenters but just about everyone.

Cases like these abound in the market. Airtel introduced its 4G service in mobile internet to a thumping success with a campaign that used an unknown face and was built around its premium service. Ariel captured the minds with its share-the-load campaign, delivering a social message to change mindsets, and saw its ratings shoot through the ceiling.

### Conclusion

The above examples clearly indicate that celebrity endorsement isn't absolute when it comes to guaranteeing successful product sales. It can be a very effective tool for drawing attention of a Target Group, but cannot be a harbinger of change agent unless the product and/or the business model deliver in a competitive market. A survey\* was conducted by research agency IMRB and public relations outfit IPAN brings out the finer aspect of celebrity endorser's impact on buying decision. The celebrity endorsement survey conducted over 2019 respondents across 12 metros and small towns in India, claims that 86 per cent of the respondents say the most prominent ad they remember has a celebrity in it, but only 3 per cent feel that celebrity endorser of a brand affects their buying decision.

This brings us back to McCracken (1989) study where he says: The chief deficit of this model is that they ask us to accept that it is the attractiveness and the credibility of the celebrity that make the endorsement work. Useful for certain purposes, this approach prevents us from seeing celebrities are, in fact, highly individualized and complex bundles of cultural meaning. It also prevents us from seeing that endorsement consists in the transfer of these meanings from the celebrity to the product, and from the product to the consumer." This point is well reflected in the failed campaign by the Bachchans to promote Maruti's Versa brand where the consumer couldn't relate to superstar father-son duo retailing a mid-segment Van and in effect or Virat Kohli's decision not to renew his contract with Pepsi, where the carbonated drink becomes an embodiment of his lifestyle for his countless fans to adopt. Fevicol has shown even a hen can retail a product if it's built around its core strength. Hook Line and Clincher that rated the best advertisements of 2016, endorses this. "A good ad, at times stems from simply knowing the best features of your product from a consumer's lens," the review says.

Some of the biggest spenders on advertisements in telecom, like Airtel and Vodafone, and online retailers, like Amazon and Flipkart, are concentrating on core bench-strengths than investing in celebrities and are successfully getting the message across to their subscribers. It can, therefore, be reasonably concluded that celebrity endorsement is the icing on the cake and not the cake. It can be an eye-catcher, but it can't be a game changer unless the product itself has competence and consumers connect with it.

Abhishek & Arvind, 2013: In the same study, it is revealed that Celebrities in India are on such high pedestal that over 60% of brands in India use celebrities to push products, compared to 25% in the US. We observed that although celebrity endorsements have been a trend in facial care industry, but It has a very low influence on the consumer buying behavior. We also came to know that celebrity endorsement causes only 2.5% influence on the purchase intention of consumers towards face wash. Also, there is no significant influence seen in any of the age group or gender as the influence on the whole is not as significant. Imperial Journal of Interdisciplinary Research (IJIR) (Influence of Celebrity Endorsements on the Consumer Behavior for Facial Care Product).

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