

The Impact of Celebrity Endorsement on Strategic Brand Management

OGUNSIJI, A. Sola

Department of Management and Accounting
Faculty of Management Science
Ladoke Akintola University of Technology
Ogbomoso, Nigeria

Abstract

The essence strategic marketing for profitable value delivery process in present day hyper competitive economy is found to incontrovertible. This research investigates the impact of celebrity endorsement on strategic brand management. It established a correlate between the success of celebrity endorsement of brands and the power of the brand in the market place. The paper found out that the power of a brand in the market place springs forth a cumulative function of the effectiveness of the whole endorsement process reflecting high profile brand market acceptability convergent on identifiable brand scape characterised by both the cognitive, affective and behavioral attitudes of the endorser. This convergence reflect nor only consistency in repeat preference but also centrality and high intensity, in the promotion on brand value, nearing brand addiction. This paper however recommends a global brand management team for marketing organizations adopting multiple endorsements.

Keywords: Celebrity Testimonial, Endorsement, Congruity, Emulation, Match-up, Brand, Marketability, Internalization.

1. Introduction

In present day hyper competitive economy, with increasingly rational buyers faced with abundant choice, the essence of strategic marketing that promotes profitable value delivery process i.e choosing the value, providing the value and communicating the value through segmentation, targeting and positioning (STP) benchmark, the networking of a value chain of both primary and support activities cannot be controverted (Porter 1985, Kumar 2004 and Wylie 2003) Strategic brand management as a process involving the design and implementation of marketing activities and programmes builds, measures and manages brand(s) to maximize their value. The process of maximizing brand value involves identifying and establishing brand positioning, planning and implementing. That, in essence, is brand marketing for measuring and interpreting brand performance, growing and sustaining brand value (Kotler and Keller 2005) and dissecting brand equity from a sociological, anthropological or biological perspectives. It was severally opined that brand value serves a signaling phenomenon. This value often reflects in how consumers think, feel and act with respect to the brand as well as the prices, market share, and profitability that the brand commands for the firm. Brand value and brand equity are important intangible assets, that have psychological and financial value to the firms. Indeed they are value drivers.

Firms believing that the power of a brand lies in the mind of existing or potential customers and what they have experienced directly or indirectly about the brand, adopt strategic brand management approach, using celebrity endorsement. Celebrity endorsement is a type of channel in brand communication through which a celebrity acts as the brand's spokesperson and certifies the brand's claim and position by extending his/her personality, popularity and status in the society or expertise in the field to the brand. In short it is a tool of marked distinct differentiation that creates a niche in the market and among equals in the industry, and amongst the firms sponsoring the brand endorser(s). And because celebrities are the image endorser in the ad piece McCracken 1989, in his own view, suggested that there must exist a symbolic match between the image of the endorser and the brand. Such effectual match creates/establishes a correlation between celebrity endorsement and brand image.

2. Parametric Constraints versus Paraphernalia Limitations as they work

The variables surveyed to determine the level of celebrity endorsement as a strategic marketing option include celebrity credibility, celebrity personality, popularity and celebrity communication- verbal and non-verbal. These are all judgmental and subjective.

Whereas the variables surveyed to determine the effective degree of promotability as a strategic marketing option include consumer perception, brand power, ad penetration and brand appeal are measurable and objective. Celebrity endorsement as a strategy is all about testimonials and the match is about the relationships of the testimonials and the communication about the product. So if a person has a positive attitude toward a source and message, or a negative attitude toward both, a state of congruity is said to exist (Osgood and Tennenbaum 1955, Morais 1998 a,b, Harrabin 1998, Batelle 2004) Usually celebrities have fans (target audience) that may translate/transform to target market niche creation. They may provide central valued information when an aspect of the celebrity matches with the product, especially if they as is often the case, are well liked and their attitude /specialty leading to identification and consumer persuasion possibly establish a relationship of product success with the celebrity impact (Belch and Belch 2007). These match, often result in propellant effect on product choice.

The company on its own is not passive, rather it makes use of the celebrities' characteristics and qualities to establish an analogy with the product specialties with an aim to position them in the minds of the target consumers. To be successful, brands need to convince consumers that they carry a different image and value from other competing products. In other words, brands have to show their true personality to the potential consumer(s). It was not until the 1920s, however, that advertisers used famous people for product endorsement . Actresses Joan Crawford, Clara Bow and Janet Gaynor were among the first celebrities to promote products (Fox, 1984). At that time, the rationale given by advertising agencies for using celebrities was "the spirit of emulation" (Fox, 1984:90) Celebrity endorsement is therefore recognized as a potential potent tool in communications, with celebrities viewed as more powerful than anonymous models and campaigns tending to verbalize the meaning of the celebrity in relation to the brand. To the manufacturer, brands offer a means of identification for ease of handling and tracking, legal protection and the ability to be distinctive.

2.1 Spirit of Emulation.

In addition, branding is a sign of quality distinction and can be used to secure competitive advantage, increased financial returns and high customer loyalty. For the consumer, the brand functions as a means of identification that reduces search costs, search effort, and perceived risk, thereby facilitating a shortcut in purchase decision making, and represents a guarantee of quality and reliability. Forming a self-brand connection is a psychological manifestation of such equity at the consumer level. When consumers appropriate or distance themselves from brand associations based on celebrity endorsement, they do so in a manner that is consistent with self-related needs, such as self-enhancement (Escalas & Bettman 2003). Consumers may construct their self-identity and present themselves to others through their brand choices based on the congruency between brand-user associations and self-image associations (Escalas and Bettman 2005). Brands can as such become symbols whose meaning is used to create and define a consumer's self-concept. Though brand by itself will never walk, talk and get photographed, But by tying it with a celebrity, the name of a product or a company, can take on instant glitz, glamour, charm, sex-appeal and aspiration.

In this "spirit of emulation" it has become commonplace in Nigeria for fans to act "Kosoko," "Kanu", "Henshaw – Nutall," "J.J.Okocha" or any of the other endorsees reinforcing the individual endorsers characteristics as are juxtaposed into the brand through effective match-making. This in effect is the beginning of Strategic Market Perspectives (SMP).

The SMP in this reflects the applicability of celebrity endorsement on commodity or service marketed, its workability on consumers' attitude, psyche, personality and other traits that influence the consumers' buying behavior, including endorser cynicism.

2.2 Product Value : Products are often designed and produced to serve some intrinsic purpose (value) which celebrity endorsement strategy may be mediated by variables such as the celebrity/ product fit, the product and usage occasion, societal/ cultural conditions and the volume of repetitive advertisement featuring celebrities . None of these variables is notably intrinsic to the product, though positive experience on the brand often impacts on the sales volume, naira sales figure, market share value, brand preference and switch and profit margin, which is the ultimate intent of the advertising marketing organization.

3. Consumer Personal Management

The workability of Strategic Market Perspective(SMP) on consumer focuses its searchlight on the Consumer Personal Management, an exposition of individual characteristics based on personality theories (Kamins 1990, Danes hvary and Schwer 2000). Most of these theories believe that brands also have personalities and that consumers preferably choose brands whose personalities match their own. In an attitude analysis of a market of voters Kotler and Keller 2005 indentified five groups and opined that attitude, by combining different behavioral bases, can help to provide a more comprehensive and cohesive view of a market and its segments. However a Conversion Model developed to measure the strength of the psychological commitments between brands and consumers and their openness to change has been found relevant also in the segmentation of both users and even nonusers of a brand. This openness serves as the weak point on which appropriate celebrity endorsement prominently affect the “user status”, usage rate, brand loyalty status and initiate buyer- readiness stage (Batra and Homer 2004).

In this study, a sample of 50 marketing professionals and major distributors selected randomly from ten top marketing organizations found out that there is a perceived measure of increased success in the endorsed brand’s image measured on the basis of the brand’s market acceptability and the celebrity’s image. The power of the celebrity (celebrity endorsement image) as reflected by the market niche’s (target) perception of the celebrity’s personality, credibility, popularity value and attractiveness gives the consumers’ appeal and acceptability of the endorsed brand some openness. The openness to change worked upon by the strength of psychological commitment between brands and consumers and the associated power of communication of the endorser change beliefs, ideas and shifts about a brand. Thus promoting brand switch, changing loyalty status, and greater influence on evaluation of brand and its purchase intentions (Cohoi and Rifon 2007). Noticeably the impact of celebrity endorsement is not all round incredible story of success, it is dotted with challenges and risks. For example a celebrity associated with a controversy or ill- behavior has been found to cause negative impact to the endorsement. Other risks identified by this study include the consequences of multiple endorsements, danger of balancing cost of acquiring the celebrity brand project, celebrity availability, celebrity-brand fit and endorser’s untamed ego.

4 Findings

Though some extant literatures posit that the impact of celebrity endorsement cannot replace the comprehensive brand building processes, this study viewed Celebrity-Product Match, Celebrity-Target Audience Match, Celebrity Popularity, Celebrity Credibility as few of the criteria that have made indispensable incursion into marketing of both product and service especially through the ad model.

4.1 Celebrity- Product- Audience Match

The analysis of ranking the appropriate match-criteria is the fact that managers are inexorably inundated with the challenge of whether the celebrity is expected to provide a marginal value-added or to serve as the central figure. Most importantly there must be a point of convergence of interest where the managers perception of the celebrity coincides with the target audience perception of the celebrity on the one hand and the perception of the audience image of the brand coincides with the celebrity’s perception of the endorsed brand on the other hand.

This study revealed that there is a 98% correlation between the success of celebrity endorsement of brands and the power of the brand in the market place. In other words, the power of a brand in the market place as a cumulative function of the effectiveness of the whole endorsement process reflect high profile brand market acceptability. Therefore proper celebrity was found to improve the marketability of the brand amongst its competitors.

Furthermore this convergence was identifiable in a brand scape characterized by a type of loyalty nearing brand addiction engendered by both the cognitive, affective and behavioral attitudes of the endorser. It was shown not to only reflect consistency but also centrality and high intensity in the promotion on the brand value. Implicitly an ideal endorser need to be among the early adopters of the product, intensely convinced disciple of the real ideals/value of the product rather than a mere paid ambassador acting an alien script he does not believe in. Jide Kosoko in this study as the brand ambassador for Chivita Juice portends a good celebrity-product match since both the celebrity and the brand are considered as friendly, influential, mood-boosting, humorous and outspoken.

In this case Chivita Juices brand image overlaps the endorsers image and characteristics (Friedman and Friedman 1978) The choice of the Nollywood stars KateHenshaw-Nuttal and Bukky Wright as endorsers of Harpic liquid toilet soap was found to be based on the demographic characteristic appeal and strategic leverage for profound matriarchal chore. The tendency to indentify and comply with the message communicated by these well liked celebrities led to internalization and adoption of the product's value (Brian and Busler 1998 Posnock 2004).

4.2 Celebrity Popularity

Empirical finding from this study support the fact that celebrities have positive effect on both attitude toward ads and brand. These results are in favor of celebrity endorsers because they are widely recognized, are perceived to be more credible and produce greater influence on evaluation of brand and its purchase intentions.

4.3 Celebrity Credibility

The most important aspect of celebrity endorsement is credibility. This study agree with Infilmarena on finding a brand and advertisement group. 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.

4.4 Multiple Endorsements

This study found that the case of multiple endorsements, both in terms of a single brand hiring multiple celebrities and that of a single celebrity endorsing multiple brands, controversial, consumers do get confused about the brand endorsed when a single celebrity endorses numerous brands . Consequently the recall then gets reduced and reduces the popularity of the brand. Baker however found using multiple celebrities or a single celebrity partially depends on the time scale a campaign is using to have impact. For instance Glo adopts a multiple endorsement using Nonso Diobi, Ini Edo, Mona Lisa Chinda and Peter and Paul, and yet got a comprehensive/holistic marketing leverage.

The case of the Glo therefore approves of the fact that comprehensive analysis is possible for complex problems (especially when the selection of the celebrity is based on strategic management of the information to be communicated by the dozen celebrities. This probably explains why Glo has the highest record of celebrities endorsement of their various brands which made their sales revenue to be growing at a high double digit growth rate of between 60-80%.(Source)

4.5 Costs Of Acquiring The Celebrity

Celebrities are expensive and so companies must have deep pockets to be able to afford the best available celebrities. Recently, a newspaper report showed how some 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. And in most cases have gone under.

5 Recommendations

Endorsement Management Team.

Global brand endorsements demand a global brand management team. Thus regional and international organization is in place to maintain brand leadership through proper effective celebrity endorsements .So companies with large brand portfolios need to have separate managers for each brand and its promotion .

In addition endorsed brands express the uniqueness of position to all internal and external audiences. They effectively utilize all elements in the communications mix to position themselves within and across international markets, so brand and location specificity need to be emphasized for endorsers used.

References

- Aaker, David A and Cerman, James M (1982) “ Are you Overadvertising? Journal of Advertising Research (Aug-Sept) pp 57-70
- Aaker D.A (1996) Building strong Brands the free Press N.Y.
- Aaker, David. A (1997) “Should you take your brand to where the Action is? HBR pp35 to 143.
- Aaker, D.A (2004) “ Brand Portfolio Strategy ; Creating Relevance, Differentiate Energy, Leverage and Clarity, Free press N.Y
- Batelle, John (2004)” The Net of Influence “Business 2.0 p 70
- Batra .R. and Homer, P(2004) “The Situational Impact of Brand Image Belief” Journal of Consumer Psychology 14(3) 318-330.
- Belch G and Belch M (2007) Advertising and Promotion : An Integrated Marketing Communication Perspective (7th Edition) New York Mc Graw-Hill Higher Education Chapter 4 (ISE).
- Choi, Sejung M & Rifon, Nora J. (2007) Who is the Celebrity in Advertising’s? Understanding Dimensions of Celebrity Images. The of Journal of Popular Culture Vol 40 No 2
- Daneshvary R and Schwer R.K (2002) “ The Association Endorsement and Consumers’ intention to Purchase “Journal of Consumer Marketing 17 (3): 203-213.
- Escalas , Jeniper E & Bettman James R 2005 “Self-Construal, Reference Corps and Brand Meaning “ Journal Consumer Research, 32 (Dec) 378-389.
- Fox J .Ronald (1984) Evaluating Management of Large, Complex Projects; A Framework for Analysis” Technology in Society 6.
- Friedman, H. H and Friedman L (1978) “ Does the Celebrity Endorser’s Image Spill Over the Product? ‘ Journal of the Academy of Marketing Science, 6 Fall pp 291-299.
- Friedman H.H and Friedman Linda (1979) “Endorser Effectiveness by Product Type” Journal of Advertising Research, 19 (5) 63-71
- Harrabin, Rodger (1998)”A Commercial Break for Parents Independent p 9.
- Kamins, Michael A.(1990) “An Investigation of the Match-up Hypothesis in celebrity Advertising: when beauty may be only skin deep” Journal of Advertising, 19(1), 4-13.
- Kumar Nirmalya (2004) Marketing as Strategy; The CEO’s Agent, for driving Growth and Innovation (Bosten, Harvard Business school Press).
- Kotler and Keller (2005) Marketing Management 12th edition New Dehi Prentice-Hall of India Chapter 17.
- Mc Craken, Grant (1989) Who is the Celebrity Endorser? Cultural founds of the endorsement Process Journal of Consumer Research, 16(3) 310-321.
- Morais, Richard C. (1998a) , “Mobile Mayhem” Forbes p 138. (1998b) “Working in Harmony; Soap Perfumery and Cosmetics p27.
- Osgood, C.E and Tannenbaun P.H (1955) “The Principles of congruity in the Prediction of Attitude change” Psychological Review 62; 42-55
- Porter M.E (1985) “ Competitive Advantage; Creating and Sustaining Superior Performance The free Press N.Y.
- Posnock, Susan Thea(2004) “It can control Madisan Avenue” American Demographics
- Till Brian D. and Michael Busler (1998) “Matching Products with Endorsers: Attractiveness Versus Expertise “Journal of Consumer Marketing 15 (6) pp 576-586.
- Wylie K (2003)”Call for Tapes” on line, Available: <http://www.kwylie.com /author.htm>