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Research Article

A STUDY ON IMPACT OF CELEBRITIES ON CREATING BRAND LOYALTY

Nagalakshmi G S

New Horizon College Kasturinagar Bangalore

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ABSTRACT

The celebrity advertisement is a new trend which is followed by many companies to advertise their products. The use of celebrity endorsements in advertising has become a trend and a perceived winning formula of corporate image building and product marketing. As existing media get increasingly cluttered, the need to stand out has become paramount and celebrities have proved to be the ideal way to ensure brand prominence. The use of celebrity endorsers brings many positive effects in terms of positive feelings towards the ad and the brand, a positive brand attitude and increased purchase intention for the brand.

Numerous researches have proved empirically the effectiveness and the positive influence of celebrity endorsements in advertising, particularly on purchase intention. However, there is no common consensus on whether attractiveness, trustworthiness and expertise of the celebrity endorsers have a significant impact on consumers' purchase intention.

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INTRODUCTION

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.

Today celebrity endorsement becomes the multi-million industries in the world. Marketers endorsed celebrities with their products and brands in the advertisement to increase their sales and change the perception of the viewer's regarding their brand, which positively impacts on their buying behavior.

Celebrities endorsed advertisements are more attractive than the non-endorsed advertisements. Moreover the tested attributes of celebrity show positive relationship with the buying behavior and brand perception as well. It also proved that there is a significant impact of celebrity endorsement on the buying behavior.

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.

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 out's for them representing the company due to the 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. Celebrity branding or celebrity endorsement of a company's product is effective largely because celebrities have the potential to reach a large number of prospective consumers.

**Corresponding author: Nagalakshmi G S*
New Horizon College Kasturinagar Bangalore

There is a high focus placed upon the importance of choosing a reliable, trustworthy celebrity to endorse or sponsor a company's product, while still balancing the celebrity's attractiveness, power, and similarity of the celebrity's public image with the company's overall current, or intended brand image.

Brand image can be described as "the set of beliefs held about a particular brand", suggests that a brand with better positive brand image and attitudes is more likely to achieve heightened development within their relevant market. Therefore, choosing a celebrity who is going to beneficially contribute to the existing or intended image and attitudes of the brand is vital to ensure the success of the celebrity branding.

The brand alliance is a business strategy that can involve the intentional process of associating two or more established brand names in a specific attempt to attract attention from consumers and thus increase the chances of earning additional sales for all the businesses involved.

Brand recognition is a huge part of celebrity branding. Brand recognition is where the general public is able to establish a brand from its attributes. It is most successful when a brand is exposed without a company name and is then recognized by the customer through the visual signifiers such as logos, slogans, and colors. Brand Recognition is extremely effective in promotional campaigns. To measure brand recognition and the effectiveness it has on promotional campaigns, companies will conduct experiments on study groups for results. This quote explains that there are two types of celebrity endorsement: explicit and implicit.

Advantages

1. Celebrity endorsement is used as an advertising strategy, by using celebrity status and image, to promote a brand's recognition, recall, and differentiation.
2. It helps customers to remember advertisements when seeing a celebrity that has already got a brand of their own, it will bring customers to try or purchase the product.
3. It also helps the brand to stand out over a brand that does not use celebrity branding.
4. Increased attention to the product and the brand
5. Polishing the image of the brand
6. Introduction of the brand to new and wider market
7. Repositioning of the brand
8. Guarantee of successful advertising of the brand
9. Advantages for sales and advertising

The advantages of celebrity branding are having a product that the endorser likes and utilizes and incorporates into their lifestyle as well as having some knowledge about the product. This would be an advantage in advertising the product because the endorser would be more passionate about the product and promote the product in a believable way that consumers.

Celebrity endorsements have considerable influence in sales when promoting a product and brand, as they can supply information, which is focused on the benefits and remarkable features of the product in an unbiased and standard form, which has a great effect on the business revenue.

An advantage of celebrity branding is by using social networks, as it is a less cost-effective scheme of assembling and distributing information so that consumers become more aware of the product before purchasing it, as well as having great online consumer reviews will increase sales due to great advertisement is done by the company/brand and the celebrity promoting the product.

Brand images can change if celebrities cause themselves a bad name or reputation.

Celebrities can be overexposed. An example of this is Tiger Woods when he worked for so many companies his credibility started to suffer.

Celebrities start to overshadow brands. Customers will start to focus on the celebrity rather than the product.

Cons

Using celebrity endorsement has its risks as well as its benefits. Some of the opportunities provided by the endorsement may have two sides to it, making it a potential risk as well.

Celebrity may overshadow the product: There may be a chance of the celebrity getting more attention than the product being endorsed, which may lead to consumers remembering only the celebrity than the products

Credibility of Celebrity endorsements: Consumers are now more aware of how advertising and celebrity endorsements work, which brings them to question celebrity credibility within advertisements as more consumers are starting to voice their opinions asking if the brand or the product should be trusted based on the celebrity that is being paid to endorse the product.

Companies who use celebrity endorsers are at a risk financially, whether they are choosing the right celebrity endorser to represent their brand and return the favor with an increase in sales, or for the brand to become known on a wider scale. Firms are also taking risks in hoping that their chosen celebrity endorser will portray their brand in the correct way, because any small or big mistake can cost the company in a negative outcome, especially due to the celebrity's social status it can affect a huge audience. This could be due to miscommunication between the firm and the endorser advertising the product or service.

Celebrity endorsement usually impacts the feelings of the customers and the position they have concerning the advertisement and the brands, thus enhancing the purchase intentions and the sales. Therefore, if there is a communication error, it can defeat the sale as well as portray the brand negatively. Financially, firms can invest up to millions of dollars when choosing a celebrity to promote their brand; therefore they do not wish for an undesirable impact.

Risk for companies

Although for a business, hiring a celebrity to endorse their brand would seem to be an effective and profitable way of expanding the growth of their brand, there is a severe risk with choosing this type of marketing strategy which could lead to damaging impacts on the business therefore choosing this strategy could be an beneficial or a huge disadvantage.

The news of controversy surrounding a celebrity would be a definite source of noise and it alters the message a brand is

trying to convey. Consumers would already have specific connotations and personal views on the celebrity after negative news about them has surfaced, which would consequently directly affect that same consumer's image of the company. This is known as the term 'Source-related Thoughts' where the source significantly sways the thoughts of the receiver. It has been said that "If consumers find a particular spokesman annoying or untrustworthy, they are less likely to accept what this source has to say. This would mean that if a company chose to market their brand using a celebrity they would have to make sure their target market would appeal to this person as they develop feelings for the consumer regardless of the brand their product. Therefore, there would no use in using a youthful teenaged movie star to endorse an anti-wrinkle cream or a very misogynistic politician to promote a campaign to women people would not be in favour to trust or like the business because they dislike or do not relate with the celebrity spokesman representing it. Choosing a celebrity in which a business' target market will appeal to will convey and carry on the message effectively.

The entire aim of marketing and advertising is to draw attention to your business and persuade or manipulate the target market into consuming goods or services. The more attention brought to the company, the larger opportunities gained to communicate with consumers. With using celebrity branding, there is an advantage as because this person already has a large audience and following, attention can be drawn easily. It's how the business uses this attention decides whether the outcome is beneficial or negative to the brand because there are dear impacts if an error is made due to the many people watching and making judgments. The theory of market senses/sensory marketing is where a marketer relates to an audience on an emotional level. With taking advantage of the already built attention, the right celebrity branding whether the brand is looking for a celebrity with sex appeal or a reputation of charity or generosity, these can develop an emotional response and connection from consumers which can benefit the business greatly. Though of course if celebrities possess undesired traits, this can generate a negative emotional response which would turn consumers away from a brand.

Choosing to use the celebrity branding strategy to connect to consumers is either win or lose. With the future being so unexpected, using a celebrity to endorse a product and business could bring huge positives or could have immensely damaging effects but there is no way of predicting which outcome the business will get. By choosing the perceived most trustworthy and suitable celebrity relative to the business would be the safest bet to gain success and prevent reputation damage. Businesses need to outweigh the pros and cons and decide whether they are prepared to take the risk.

Some Methods of Paid Endorsement Includes

Advertisements

Advertisements can include television advertisements, radio, billboards, or magazine posters showing the celebrity in the brands advertisement to help increase the products image. The celebrity could be seen using the product, or the main character, as being seen in the advertisement can help viewers associate them with the brand.

PR Events

Brands use events for the celebrity to be seen at, as it helps show their support or association with the brand. Having photos taken of the celebrities at the event makes the viewers associate them with them supporting the brand, making the viewer associate a positive connection. This can be done through celebrities hosting the brands event

Social Media

Celebrities promote the brand using social media using social media, like Instagram, Facebook or Snapchat. This helps the brand target the celebrities' followers to create an association between the two.

Instagram

The hiring of a spokesman or celebrity has increased as a digital marketing technique. Celebrities have been endorsing products and services of businesses on television and print media for decades. However, the social networking site Instagram is now often used as a platform for businesses to market products or services either through a third parties page, such as a celebrate, or directly through their own Instagram. Having started as a social networking site, Instagram has evolved into a successful marketing tool. What is special about Instagram is the fact that it encourages electronic word of mouth, which exist solely on the concept of sharing. Companies can simply tag the username for the businesses Instagram page to allow other potential consumers to browse through that Instagram account in just one

Unpaid Endorsement

Unpaid endorsement or covert endorsement occurs when a celebrity wears or uses the product of a certain brand because they like it. Brands can send free samples to celebrities to try out their product, and review or use on social media to give their opinion on the product. Lots of beauty companies use this to get YouTube reviewers to review their product so they get free. Sometimes a celebrity is given merchandise by a brand to use or wear in public where there is maximum exposure, such as an event.

When companies are selecting a celebrity to endorse their brand, they must match a certain criteria that they wish for the brand to be associated with. The celebrity must fill the gap between the consumer and brand when one is present.

Audience: The celebrity must be able to connect and reach the audience the brand is most compatible with.

Characteristics: Must fit the brands characteristics so that they associate the right values with the brand.

Image: Brands must look and see if the celebrities image is one the brand wants to be associated with, making sure they look into the celebrities image and past in case it could put the company into a bad light. If the celebrity has a negative image, the brand could be perceived that way too.

Attractiveness: A positive attitude is associated with attractive people. The more attractive a celebrity is, the more effective the endorsement will be. They look at the physical attributes the celebrity has such as body shape, facial features, and nationality.

Cost: Some celebrities can cost more than others due to popularity. The amount the celebrity costs to have endorsed a product or service can influence whether they are selected or not.

Credibility: The credibility of the celebrity will transfer onto the brand so they must ensure the celebrity has a credible reputation. If a celebrity is already endorsing other brands or has endorsed a lot of brands in the past, this can have a negative effect on the brand image as consumers could believe that they are only doing it for the money and their credibility could come into question on whether the product is actually as good or bad.

CONCLUSION

Celebrity plays a very important role in creating demand for any product, and therefore increase sale. it also increases goodwill of the organisation and brand loyalty, as there are many companies which are emerging in the market. It is very important for any company to be unique in the market. celebrities also generate revenue. it also provides exposure to the celebrities, many customers think them as role models and use the same product.

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