

CELEBRITY ENDORSEMENT AS ONE OF NOWADYAS MAJOR WAYS TO INFLUENCE CONSUMER BUYING BEHAVIOUR

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Abstract

Celebrity endorsement as a powerful advertising instrument has nowadays become a measurable element of a marketing campaign. Companies nowadays tend to spend huge amounts on this type of advertising even despite all the involved risks with a strong believe that used celebrities will add a value to the promoted brands and will eventually influence consumers to make a purchase.

The study explains how an average consumer is influenced by an advertisement which features a celebrity and also how companies manage to create beneficial associations among the promoted brands, the celebrity endorsee and a consumer by that, directing consumers in their buying decisions. The main factors which influence consumer buying behaviour are also presented in this work. The study also aims to evaluate the possible influences of celebrity endorsement on consumer buying behaviour. The initial question of the possible influences is viewed from the positive and negative aspects. First the effectiveness and positive side is presented which follows by the negative side of celebrity endorsement.

Keywords: Celebrity endorsement, consumer behaviour, advertising

Introduction

Celebrity endorsement is a type of a brand promotion where a famous person is used in the marketing campaign to advertise the product or service by using his or her fame and place in society (Keller, K. L. 2012). Most commonly the companies which use this type of promotion are the fashion and perfumes manufacturers (Mentix, A. 2010). The nowadays high-profile endorsement's undivided and actively growing part is the social media advertising (Halonen-Knight, E. L. 2010). The social platforms such as Twitter and Facebook are the most popular and influential endorsement brands which measurably influence consumers buying behaviours. Bloomberg claims 'the average expenditure of the social-media-ad is going to increase from \$4.8 billion as it was at the end of 2012 to \$9.8 billion by 2016 (Adam Minter 2013). In order to influence an average citizen celebrity endorsement is also used by politics. For example during the pre-election campaign 2012 of USA the main candidates used number of celebrity-followers to support their campaign (CNN 2012).

The globally recognized influence of a celebrity endorsement on consumers' behaviour is so high that on August 1, 2007 laws (China 2007) announced the banning on healthcare professionals and public figures to take part in advertisements. So the obvious influences of celebrity endorsement on consumers is proven over time the core issue here however remains the evaluation of the exact ways of these influences and the response of the consumers to them what this study aims to discuss.

Research Questions

The main three questions on which the study is concentrated at are:

- What exactly makes consumers be sensitive to celebrity endorsements?
- What are the key aspects of a positive and successful celebrity endorsement?
- What are the possible negative ways of the influence of celebrity endorsements?

Research Methodology

For the primary data collection qualitative method was chosen to be used as the important aspect of the study was the subjective observation of average consumers and their opinions towards the topic. So the factual presentation of the received results was not a priority while analysing the interview questions answers.

Interviewees					
Location	Num.	Age	Num.	Occupations	Num.
UK	15	16 to 25	13	Students	16
Armenia	5	26 to 35	8	Full time/ Part time employees	12
Italy	4	36 to 45	6	Housewives	4
Spain	3	46 to 55	4	Unemployed	2
USA	3	56 to 65	3	Retired	1
Russia	3	66 and over	1	<i>Overall Participants: 35</i>	
India	1				
Germany	1				

One of the methods of gathering reliable primary data is direct interviews (Clayman, M. 2013) so 35 cross sectional survey were conducted to carry out the research. Particularly for this study it includes revealing the individual opinions and preferences about celebrity endorsement among all the participants also going into details about the participants' feelings towards the topic, get specific examples and observe their reactions about celebrities used to promote brands. Besides as the direct interviews have the advantage of getting accurately detailed and truthful presentation about the topic from the reliable source the major part of the interview questions were open-ended including many 'WHY's and 'HOW's which drifts the research of seeking only factual and objective information. Careful information on the interviewees' profiles can be found in the table below.

Limitations

The type of interviews which was selected for the primary data collection allows including large amount of people to participate in them while only 35 people were actually interviewed. Meanwhile during the interviews some more limitations in form of the communication were faced. *First:* some of the interviews were held virtually via Skype which could not guarantee perfect conditions for the interviews with no disruptions and confusions. *Second:* Each of the interviews took a very short period (in average 15 minutes) so the participants' answers' interpretations could face unvoiced bias.

The Rationale of the Study

In general this work includes a view into consumer behaviour and the affecting main factors as well as the origins and basics of celebrity endorsement and its directions to influence consumers' decisions of buying the promoted products. The study is quite informative and will definitely be a useful addition to the currently existing literature on the topic.

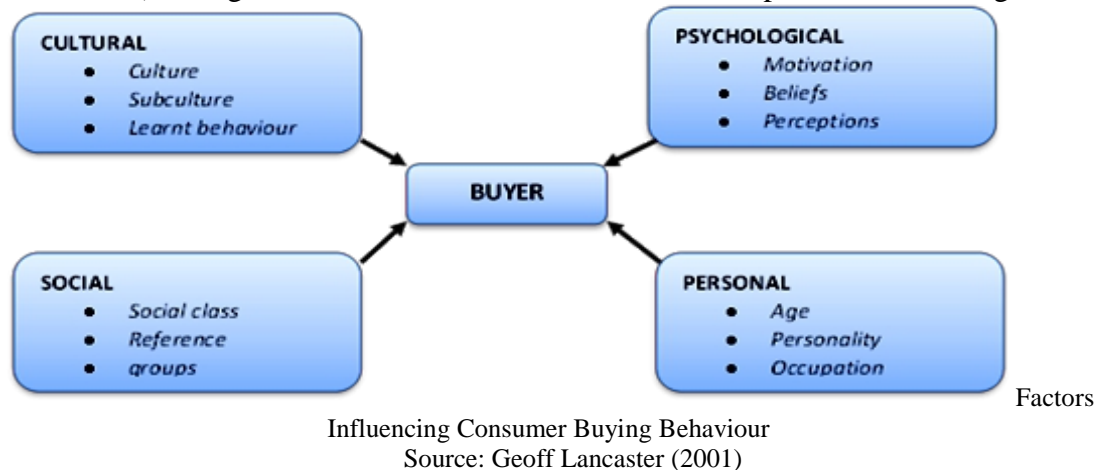
Literature Review

Consumer Buying Behaviour

Consumer behaviour is a study of people's buying preferences and motivations for

purchase (Simon, H. A. 2005). Based on list of social and psychological factors it attempts to reveal and define an average consumer's purchase decisions (Simonson, I. 2004). It is important to take into account each buyer's personal circumstances, cultural differences, demographics, and social conditions (Lancaster, G. 2001)

Cultural factors explain a learned behaviour which is reinforced in our personalities according to our life-style and beliefs (Geoff Lancaster 2001). *Social factors* include the social class, reference groups, individual buying behaviour etc. There is also a group of factors which includes *personal preferences and characteristics*. Here is important to examine the consumers' age, occupation, taste, interests etc. The last group of factors is psychological which includes consumers' motivation, beliefs and perceptions (Geoff Lancaster 2001). The generalized collection of all the factors is presented in the figure below.



Celebrity Endorsement

According to McCracken's (1989) definition of a celebrity: it is anyone who has the recognition of publicity and who uses that his or her status in society to influence them on behalf of any sponsoring product. Another definition by Friedman and Friedman (1979) claims that a celebrity is a person with a global fame and who can be an entertainer, sportsperson etc.

The Effectiveness of Celebrity Endorsement

The recognition of the product is a priority while making a decision of a purchase by the consumers (Swait, T. E. 2004). As each consumer has a personal brand preference the most popular and prestigious products are intended to be purchased by taking into account affordability and consumer social conditions (Keller, K. L. 2012).

As a rule celebrity endorsement is mostly used in campaigns of the companies which also:

- Are prestigious and have high value
- Have large potential customer ranges
- Have diversity and flexibility of the consumers (Friedman and Friedman 1990).

So in general companies pay celebrities to use them in their products promotion however in deeper level the endorsers may be the *brand face or ambassador* (Kevin Lane Keller 2012). Brand face is a celebrity who is used to increase awareness and attract attention to the product. Usually this is a short-term contract during which the celebrity only appears in commercials, posters etc. While a brand ambassador is the one who joins the brand and becomes its representative. This goes far behind just being the spokesperson or appearing in the advertisements (a form of a non-personal promotion of goods or services by a sponsor company (Kevin Lane Keller 2012). These are long term contracts where the celebrities are

selected to create and maintain the brand image by adding to it the unique personality or main activity features of the particular celebrity (Keller 2012). Celebrity endorsement is considered to be this effective as in the most of the cases it:

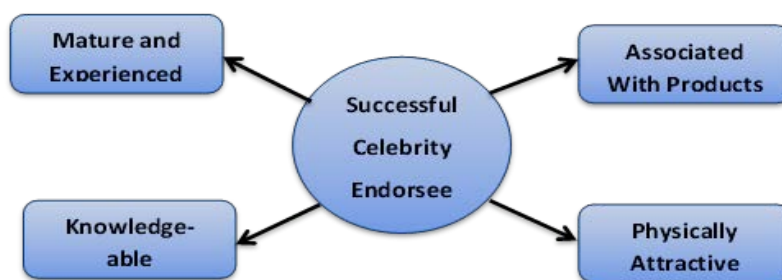
- Creates continuous awareness and information about the brand.
- Adds a real value to the brand name.
- Unique characteristics and dimensions of the celebrity becomes a part of the brand.
- Brings trust and confidence to the brand (Kevin Lane Keller 2012).

After a positive association is created companies move to the next stage where the main objective becomes building a brand loyalty and increasing current sales levels (Halonen-Knight, E. L. (2010). However the choice of a celebrity endorsee is critical here. The companies must insure that using a particular celebrity will lead to *positive feelings and bright image* to the brand among the consumers (McCracken's 1989). Also in order to deliver the basic message to the audience the *personal attractiveness, appearance and similarity* to the receiver with the celebrity need to be considered (David H. Silvera, 2004). Another aspect is creation of a *perfect match* between the personality of a celebrity endorsee and the basic brand image (Montgomery, 2005). Ideally a quality brand campaign should provide a harmonic link among the celebrity, the actual message and the brand image (Katyal, S. 2012).

Successful Celebrity Endorsement

According to Friedman and Friedman (1979), a famous spokesperson is very effective and influential as he usually represents good taste, prestige and self-image. However many research studies firstly examine the *common ideologies and emotional relationships* between brands and the celebrity endorsee to reveal the effectiveness of this type of promotion (Ashley Iye, W. s. 2005). One more basic essential of a successful celebrity endorsement is the *physical attractiveness* of the spokesperson as it attracts more positive attention and pleasant impressions about the brand (Ghoshal, L. G. 2005).

According to the primary data collected during this study the spokesperson has also to be *knowledgeable, mature and experienced* in order to be effective as after watching an ad consumers usually try to find the actual meaning of it and read the basic message.



The Main Characteristics of a Successful Celebrity Endorsee (primary research)

In order to understand how the advertisement meaning associates with the brand name, famous persons' moves and how the consumer reacts to the McCracken's (1989) three stage Meaning Transfer Model. According to this model the meaning leads the celebrity to be associated to the brand in the consumers' mind and then at the final stage of importance of consumers is showed in brand endorsement progress.

Celebrity Endorsement Failures

Unlike general and non-famous endorsers celebrities add value and brand image to the products according to their personality and cycle of activities (Montgomery, 2005). However to make the most of effectiveness from celebrity endorsements companies should make a careful choice on a particular celebrity to ensure that he or she will produce the most

preferable and positive responses from the targeted consumers and will have the appropriate characteristics to be associated and compared with the actual brand (Ashley Iye, W. s. 2005). So marketers, while using celebrities in their promotion campaigns, should always remember that they are just humans like everyone else so if they can add a value to a brand and make a magical influence on consumers they can also have negative impacts because of personal issues and behaviour (Mentix, A. 2010). There also is an aspect such as overshadowing brands (Sheu, J.-B. 2010). This usually happens when a very famous person advertises multiple products simultaneously. In this case there is a major risk that consumers may focus mainly on the celebrity without paying much attention on the actual promoted brand (Grace Phang, E. C. 2012).

Because of the current constantly growing power of nowadays media it has become easier for celebrities to have an impact on consumers' personal decisions and the companies' marketing strategies according to Samman, McAuliffe and MacLachlan (2009) includes information collection in short period of time to create awareness. So in fact celebrities have a control over consumers' willingness to buy a product as everyone wants to be like them and use the same products (Campbell, M. C. 2012). However this fact can be identified as a manipulation strategy by companies which take advantage of the consumers' special fanatic feelings towards particular celebrities intending to increase sales (Sheu, J.-B. 2010). Teenagers as one of the easiest influenced groups of consumers are extremely sensitive to the celebrity endorsements. As they desire to follow and become like their idols they tend to buy almost everything their favourite celebrities would advertise (Milton Friedman, R. D. 1990).

Data Analysis and Findings

Celebrities used in the promotion campaigns therefore are one of the most effective ways to present a product or a brand by adding a special value and importance to it. However the choice of a suitable and professionally right celebrity for a particular product is the main issue for companies. In order to create a perfect match between the celebrity and the promoted brand and to eventually provide positive and beneficial associations towards the product a deep research and a careful analysis is needed. As long as the product is known and prestigious among the others in the market it is most likely to be purchased.

The Positive Influences of Celebrity Endorsements

The first step to explain the ways of influences of celebrity endorsement is the examination of the positive side and the effectiveness of it. And as it was concluded:

- The traditional ads featuring a famous person have been constantly evolving during the time especially during the last two decades due to the affordable and easy accessible wide usage of internet and social platforms. And in case the advertisement featuring a celebrity meets the basic requirements of a successful endorsement this method of promotion may lead to enormous increase in sales.

- Along with adding a value to the promoted product celebrity endorsements also make the brands trusted among the consumers as they start to think of the product as one with a high quality and even somewhat valuable without even a thought of checking the information. Their trust and appreciation to the celebrity which endorses the product automatically transfers to the promoted product itself which is very beneficial for companies. In many cases consumers buy or intend to buy the products promoted by their favourite celebrity even if they do not have an actual need of the particular item. They feel comfortable and positive while purchasing prestigious and quality products.

What Negative Influences Celebrity Endorsement May Have?

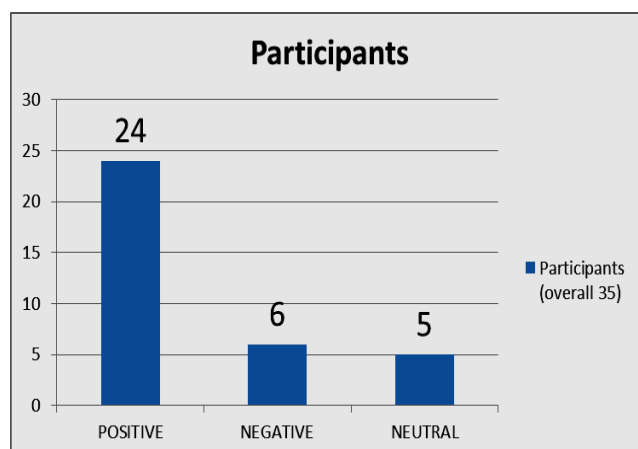
If celebrities can add the prestige and a value to the product they can also have negative influence by inappropriate actions, personal issues or incomplete and wrong brand match. So many of them eventually fail and in most cases the main reasons are:

- The celebrities’ personal issues and lifestyle. Celebrities’ inappropriate public behaviour and professionally ethical mistakes during a promotional contract with companies may have an immediate negative effect on the product name.
- The risk of overshadowing the promoted brands. The celebrities who are used to advertise the products may be much more famous and brighter in consumers’ point of views and visions than the products themselves. So the whole project may fail because of the consumers’ main concentration on the celebrity endorsees’ rather than the advertised brands.
- The manipulative side of this type of promotion. Though this fact is quite beneficial for companies as the final intention of their marketing strategies is the high amount of sales many consumers find this method unfair and manipulation towards consumers which may lead to complications and sometimes even a boycott.

Primary Data Analysis

As a result of analysing the conducted 35 direct interviews the conclusions and findings were decided to be displayed in *three* basic directions.

- The first group of answers is the absolute majority - 24 out of 35 participant where overall impressions, feelings and preferences about the topic were the same. In general all 24 participants seemed to feel absolutely positive about the celebrity endorsement claiming that the message and the quality of an ad supposed to be higher than the others. What was also common for the majority of the representatives of this group is that almost none of them claimed that they can remember an ad with a celebrity which they had deeply disliked.
- The second group includes 6 people out of the overall 35 participants who shared the similar opinions of comparably negative impression about the celebrity endorsement. Some of the interviewees explained their position generally stating that these types of advertisements are too influential and somehow even manipulative.
- The third group includes only 5 people which had more or less neutral opinions about the celebrity endorsements. Generally they were people who were not attached to nowadays media and new technologies. 2 of these 5 people were over 50 one of which was already retired. Basically they did not see much difference between the different types of advertisements and were not even familiar with many of the currently active and popular celebrities.



Three main groups of interview participants

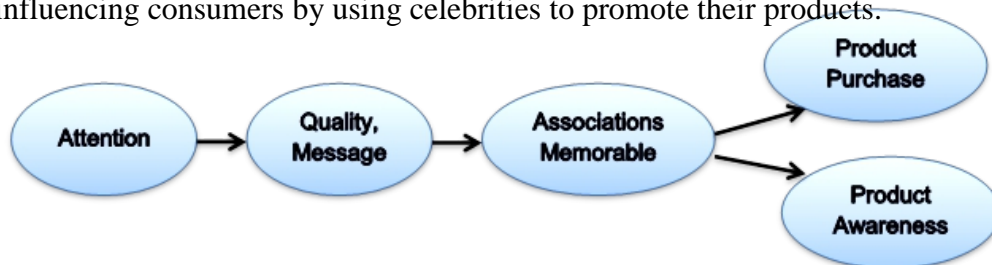
Why Are Consumers Sensitive to Celebrity Endorsements?

One of the major questions which rose during the study was the actual reasons of

consumers being highly sensitive to celebrity endorsements. As a conclusion the main reason might be the consumers' desire to feel as prestigious and famous as their idols. Teenagers however are the easiest targets for companies which use celebrity endorsements. They are very sensitive and easily influenced as it is typical for them to create idols and follow them in everything.

The majority of the consumers initially like not the promoted product but the celebrity endorsee. Current marketing professionals work hard on the image and appearance of the celebrities in their ads so they always look perfect and inspiring which attracts consumer's attention at the first place. So the initial attractiveness of an ad leads people to pay attention on the message of it which is also usually very meaningful and carefully chosen by the company professionals. As the primary research showed the attractive and appealing ads featuring celebrities are also highly memorable so the promoted product stays in peoples' memories and have associations even long after the endorsement contracts are expired.

The described concept was developed after analyzing the results of the interviews. The following table presents the basic four steps of the companies' strategic path of influencing consumers by using celebrities to promote their products.



Celebrity Endorsement: Two Successful Ways of Influences

So the specific effectiveness of the celebrity endorsement initially provides appealing and attractive advertisements which grab people's attention. And as they usually are with high quality and creative the message is successfully delivered to consumers therefore they become memorable and a part of the actual promoted product which eventually leads or to the purchasing the product or at least provide awareness among potential consumers which is not less important for the companies desiring attract attention and create positive and appealing brand image.

Conclusion

As it was concluded from the presented literature review and the primary research results the positive side of the celebrity endorsements overweight as looked at the effectiveness of it. The main advantages of these ads are the massive awareness and strong associative effects the featured celebrities give to the promoted products. The products become easily known with exclusive bright brand image and prestigious nature. However this type of promotion may also be very risky as celebrities not always add the desired 'magical' effect to the products. Many negative aspects also persist such as personal issues with the particular celebrities or some manipulative nature of these types of ads.

Further Research and Recommendations

The used qualitative method supposes subjectivity from both sides (interviewer and interviewee) including the limited amount of participants' opinions and the researcher's interpretation of participants' answers as an interviewer. However a further research by using larger amount of participants may argue the research results or at least add more reasoning and diversification in opinions. Also the initial principle of the selection of the interviews' participants was the age as they supposed to be older 16 in order for the answers and the provided information to be more objective and reasonable. However teenagers are a very

wide range of potential consumer group who are the easiest influenced targets for companies so the separate observation of the preferences and opinions of this group could be very useful for the general topic. At last the interview questions in some aspects can be viewed as too narrow and not deep enough to reveal the actual reasoning of the participants' opinions as the questions were designed to be as simple as possible in order to get the desirable information in very short time. Further longer lasting interviews with wider ranged deep questions may lead to more careful information and deeper research on the topic.

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