

Chapter 5

Evaluation of Celebrity Endorsements on Consumer Perception and Brand Equity in Indian Market

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ABSTRACT

One of the most popular forms of marketing strategy to endorse a product or a brand is celebrity endorsement. Masses are big fan of celebrities both films or sports industry. Hence, using celebrities for brand or social welfare activities is a common phenomenon. Consumers do not purchase a product not because of their love and trust on the celebrity only. This study is aimed at finding the relation in building brand equity and the celebrity endorsers. This research infers the relationship between consumer perception formed through celebrity endorsements and its impact brand equity. It is also inferred from the study that celebrity endorsement fit for a product has a positive effect on consumer perception, hence building brand equity.

INTRODUCTION

Celebrities are those public figures who are majorly followed and liked by people either because of their attractiveness or celebrity status, or even both. It is the influential power of celebrities that has compelled marketers and advertisers to leverage it into their branding strategies (Dwivedi, et. al, 2015). Using celebrity for product or brand endorsement to increase the effectiveness and increase the credibility of advertisement is an old way of leveraging (Keller & Lehmann, 2006). Spry, et al. (2011) found this trend will rise as people become more conscious of the brand image of the products that they buy.

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Farjam and Hongyi (2015) found that a high level of brand equity can ensure an outstanding performance by high amount of brand recall because of the celebrity endorsement and brands can ask for premium price that consumer will happily agree to pay for. According to Keller (2006) advertising is one of the most convenient ways of creating brand equity. Dwivedi, et al. (2015) found celebrity endorsement is an important subject highly influencing marketing strategy used for promotion of brands and products, thereby influencing consumer perception.

With this study, the researchers want to evaluate the celebrity endorsement on consumer perception and brand equity in context to the Indian market where the share of celebrity endorsement is high because of the highly influential celebrities from film and sports industry. And further to see the relation between consumer perception and brand equity in order to understand the impact of it on brand equity.

CELEBRITY ENDORSEMENTS ON CONSUMER PERCEPTION AND BRAND EQUITY: A REVISIT

Celebrity Endorsement

According to Dom, et al. (2015), celebrities are those people who are publicly recognized by certain group of masses. Spry, et al. (2011) found that marketers use every one out of four celebs in advertisement worldwide for building up brand personality. Celebrity endorsement imbues aspirations and association with prominent match of personalities between a celebrity and the brand (Keller, 2006). This makes a brand aspirational with credible bond and brand equity impact. Thus, it is perceived the celebrity of the endorsement is a credible link to the brand, hence impacting brand equity (Eager & Lindridge, 2013).

Advertisers with celebrity as endorsers imbue an association with brand that is desirable to marketers (Dwivedi, et. al, 2015; Keller, 2013; Spry, et al., 2011). While the use of celebrity ensures brand awareness and brand recall, this eventually leads to purchase intension. A human brand by definition is popular personalities who are the theme for marketing product (Thomson, 2006).

Celebrity Credibility and Brand Congruence

Now consumers will possess only those set of brands, which have congruency, established with brands such that brands personality fits their actual self-personality and their ideal self-personality (Eager & Lindridge, 2013). And advertising can increase brand congruity by focusing on celebrity endorsement and other promotions in the consumers mind with imagery use in them (Verone, 2015). Every celebrity during their lifetime are creating powerful symbolic meaning directly associated to their life style and personality (Dwivedi, et. al, 2015), which helps in building up a strong connection with consumers creating human brand for themselves, valued by marketers (Verone, 2015). Human brands are created after associating with celebrities such that celebrities are considered as symbol of expertise of the product resulting in attractiveness, trustworthiness and positive impression of that brand (Dwivedi, et al., 2015; Spry, 2011). Product category association with celebrity will ensure that the brand will be linked to some belief and an attitude very specific to a brand. This will further shape consumer responses, as it will be an important determinant of consumer attitude towards brand (Keller, 2006).

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