



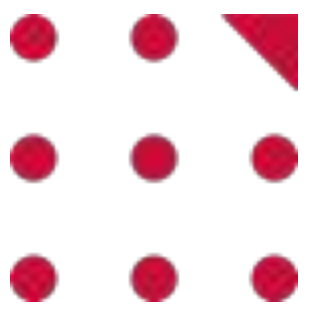
A PRIORI

Use of Celebrity endorsement in Marketing

A Perspective



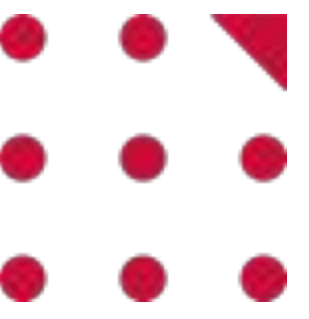
Background



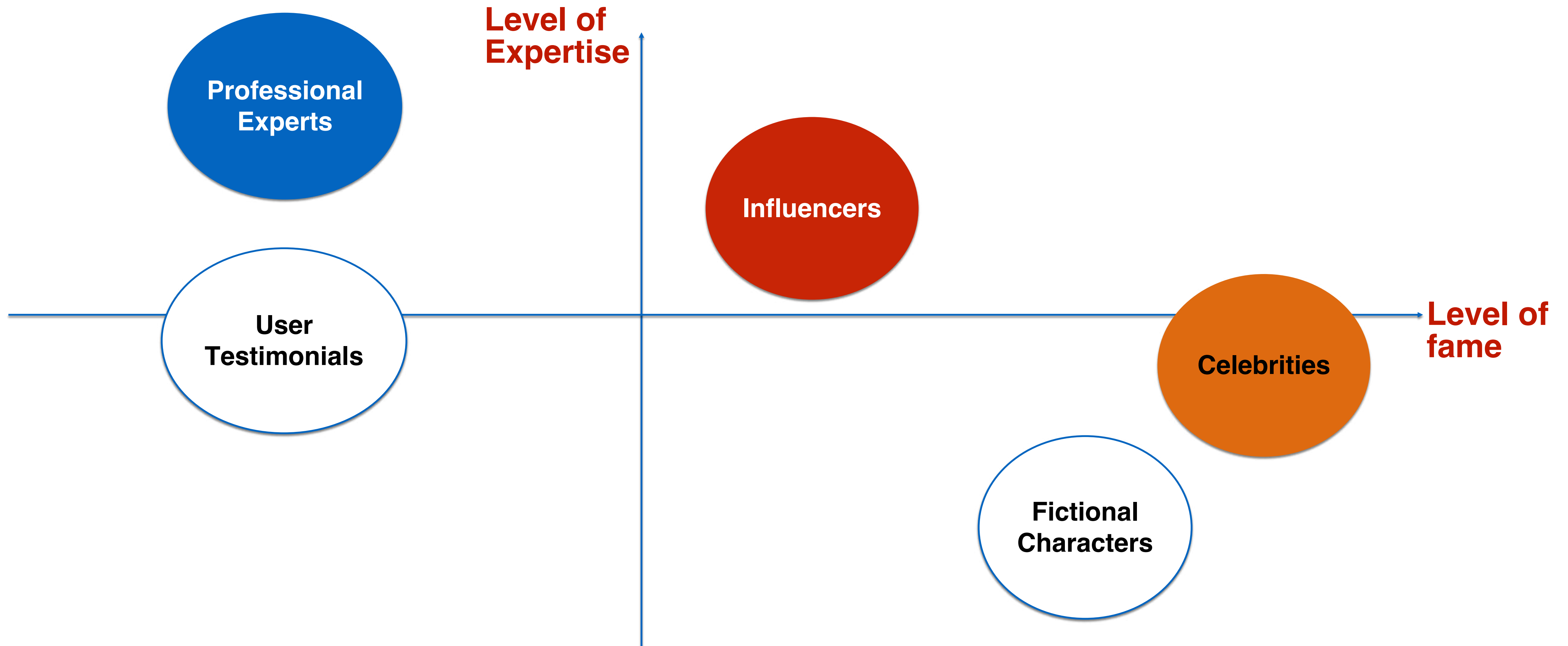
- Almost from the very start of advertising and marketing, companies have used famous people to endorse their products.
- Endorsers have been of various types - famous celebrities or experts in their fields.



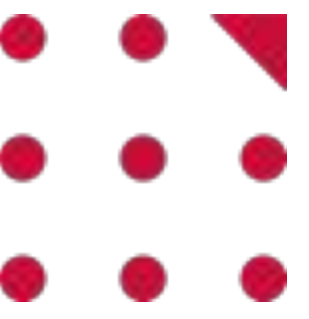
What Type of Endorser?



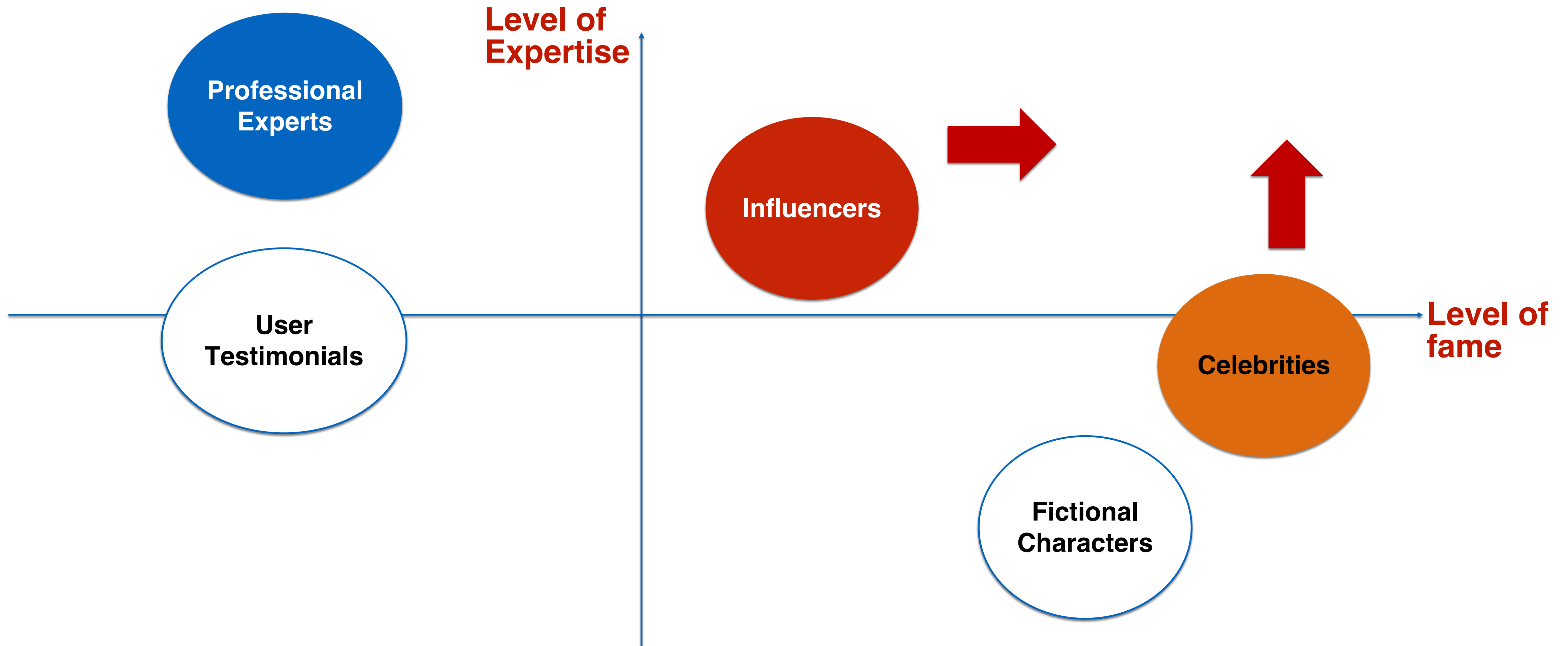
- One can categorize the type of endorser using a simple framework



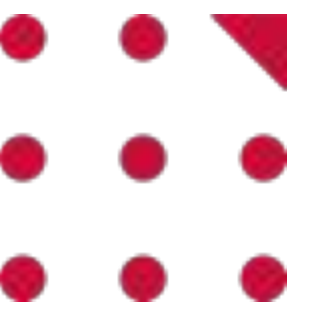
What Type of Endorser?



- There is always a search to maximise both Fame & Expertise



Endorser Categories



Profile

- known typically because of their achievement in a field.

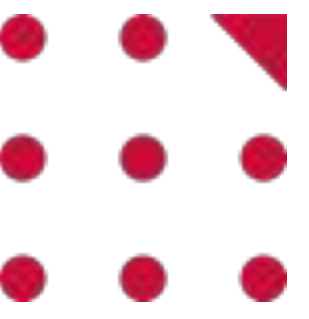
Relevance

- Sometimes can be famous for being famous (e.g. children of famous people).

Role

- Traditionally used in communications developed by the company or in activations

Endorser Categories



Profile

- known typically because of their achievement in a field.

- Known for expertise & achievements in a field.

Relevance

- Sometimes can be famous for being famous (e.g. children of famous people).

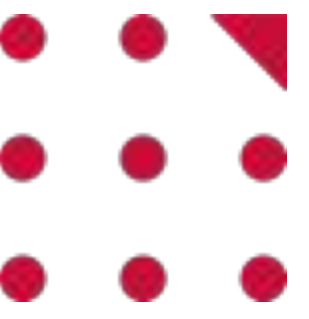
- a “follower” base and speak/advise on their area of expertise or on their own channel/space.

Role

- Traditionally used in communications developed by the company or in activations

- Generally, do not feature in product communications. Instead feature the product in their own communications.

Endorser Categories



Profile

- Known typically because of their achievement in a field.
- Known for expertise & achievements in a field.
- Active in their fields. They are not generally known to the public.

Relevance

- Sometimes can be famous for being famous (e.g. children of famous people).
- They have a “follower” base and speak/advise on their area of expertise or on their own channel/space.
- Their endorsement holds weight because they are a member of a profession that is seen to be relevant & credible.

Role

- Traditionally used in communications developed by the company or in activations
- Generally, do not feature in product communications. Instead feature the product in their own communications.
- Feature in product communications; not as an individual but as a member of a profession.

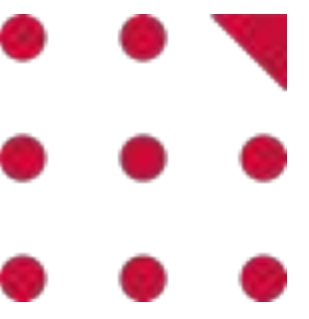


A PRIORI

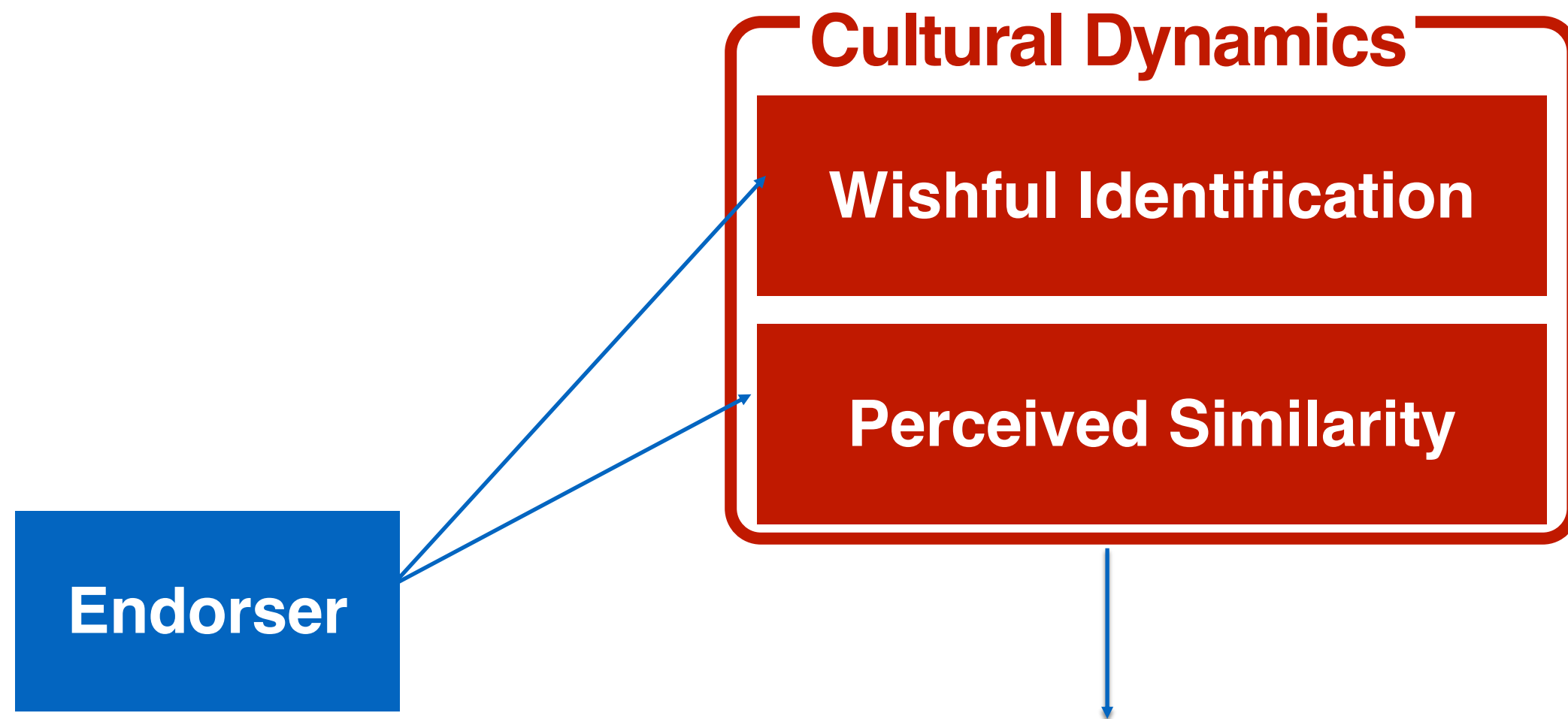
**A Model to
Understand how
Endorsement works**



A Model



Endorser Influence Framework



An endorser, especially a celebrity, exists in a cultural space. We often hear ‘celebrities are aspirational’. A more precise (and researchable) definition would be wishful identification - you want to be like the celebrity, have their achievements or follow their lifestyle.

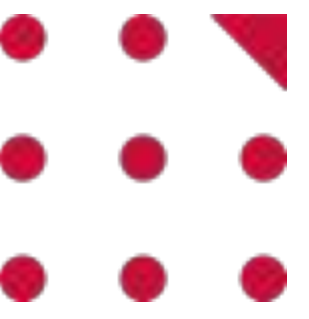
But an equally important mediator of a celebrity’s influence is ‘perceived similarity’ with the audience. How much they identify with the celebrity.

These 2 are important factors to keep in mind when choosing a celebrity.

It should be obvious that celebrities have stronger influence on cultural dynamics than influencers and professionals.

—> Short term effects
.....> Long term effects

A Model



Endorser Influence Framework

This is related to the individual brand of the endorser/profession. Some endorsers are seen to be more trustworthy - Sachin Tendulkar, Konkona Sen are two celebs I have worked with high individual trustworthiness scores. Some professions, for example Doctors, are seen as highly trustworthy.

Endorser

Category Dynamics

Trustworthiness

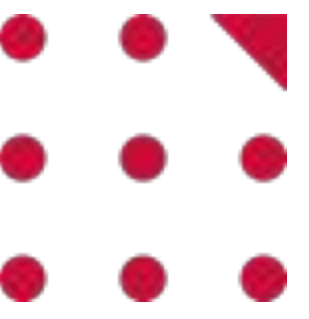
Perceived Expertise

Generally speaking, influencers/professionals score higher on this factor. Trustworthiness & expertise of an endorser declines with multiple endorsements.

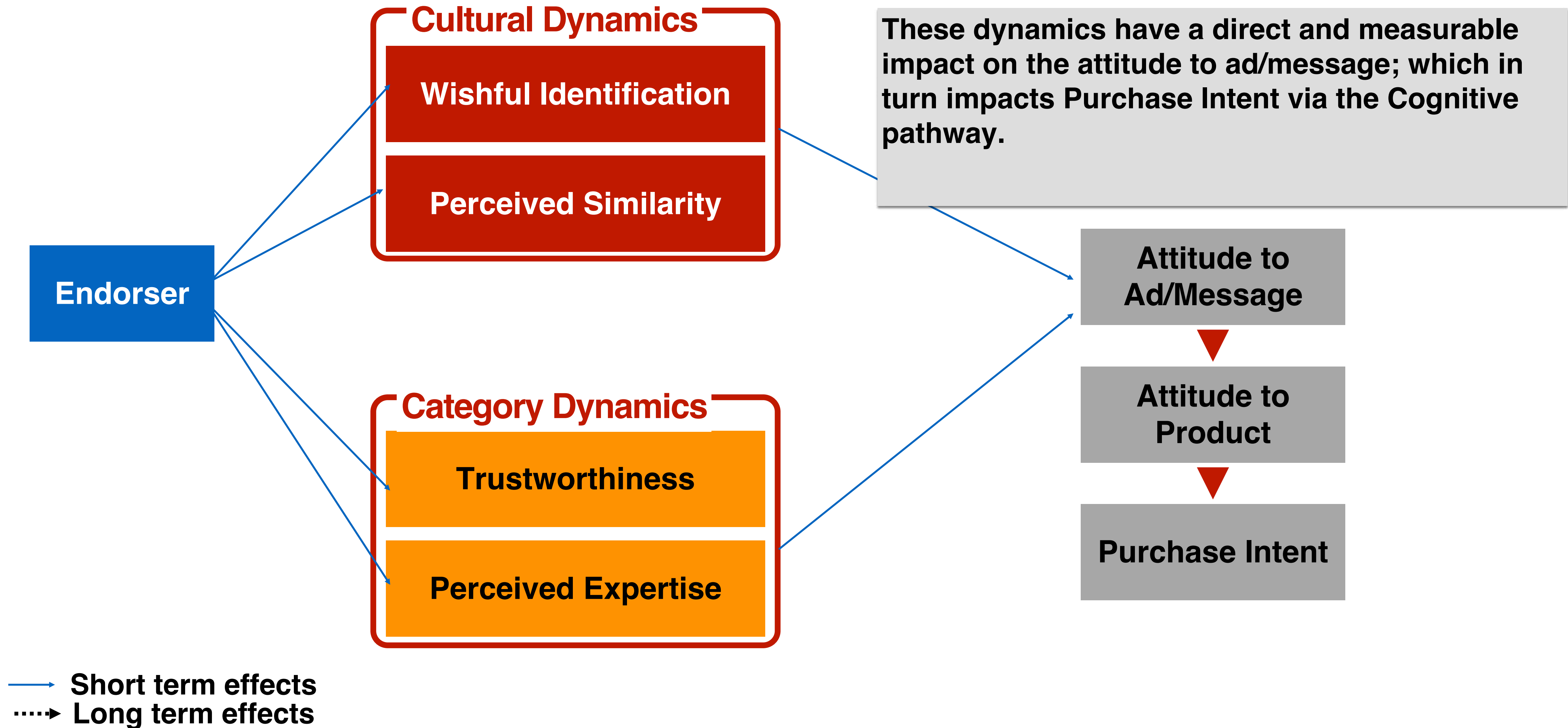
The other factor is the expertise an endorser has in the category. Pierce Brosnan endorsing Pan Masala will not be seen as believable; Virat Kohli endorsing a sports drink will more likely be.

→ Short term effects
.....> Long term effects

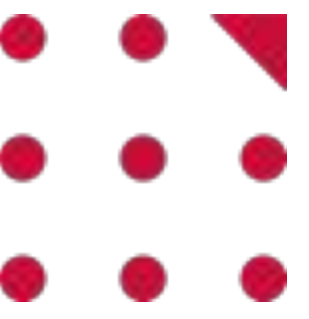
A Model



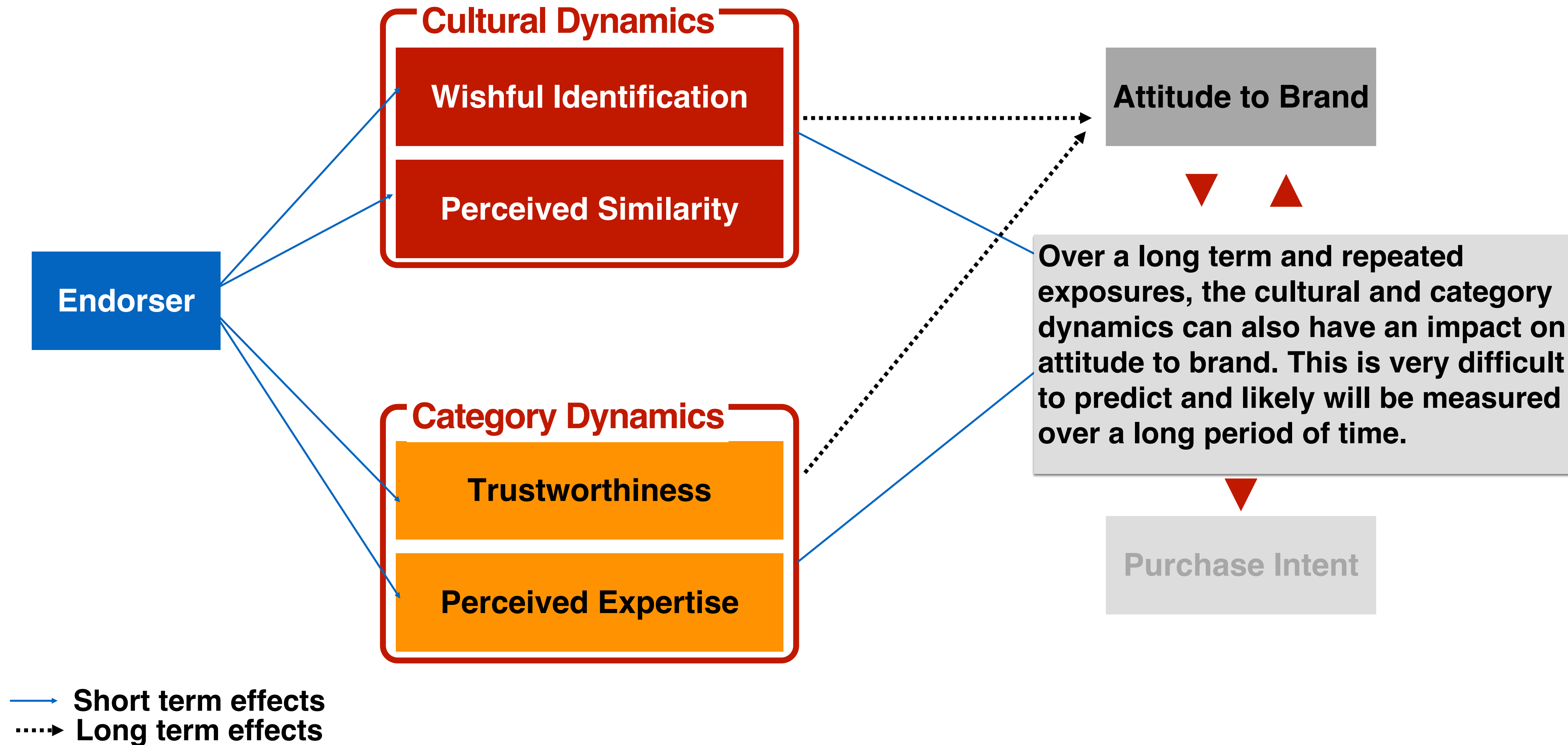
Endorser Influence Framework



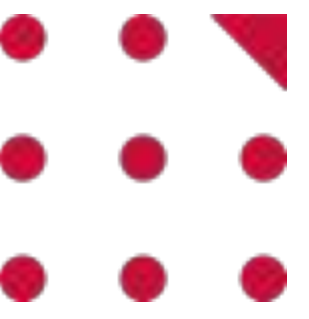
A Model



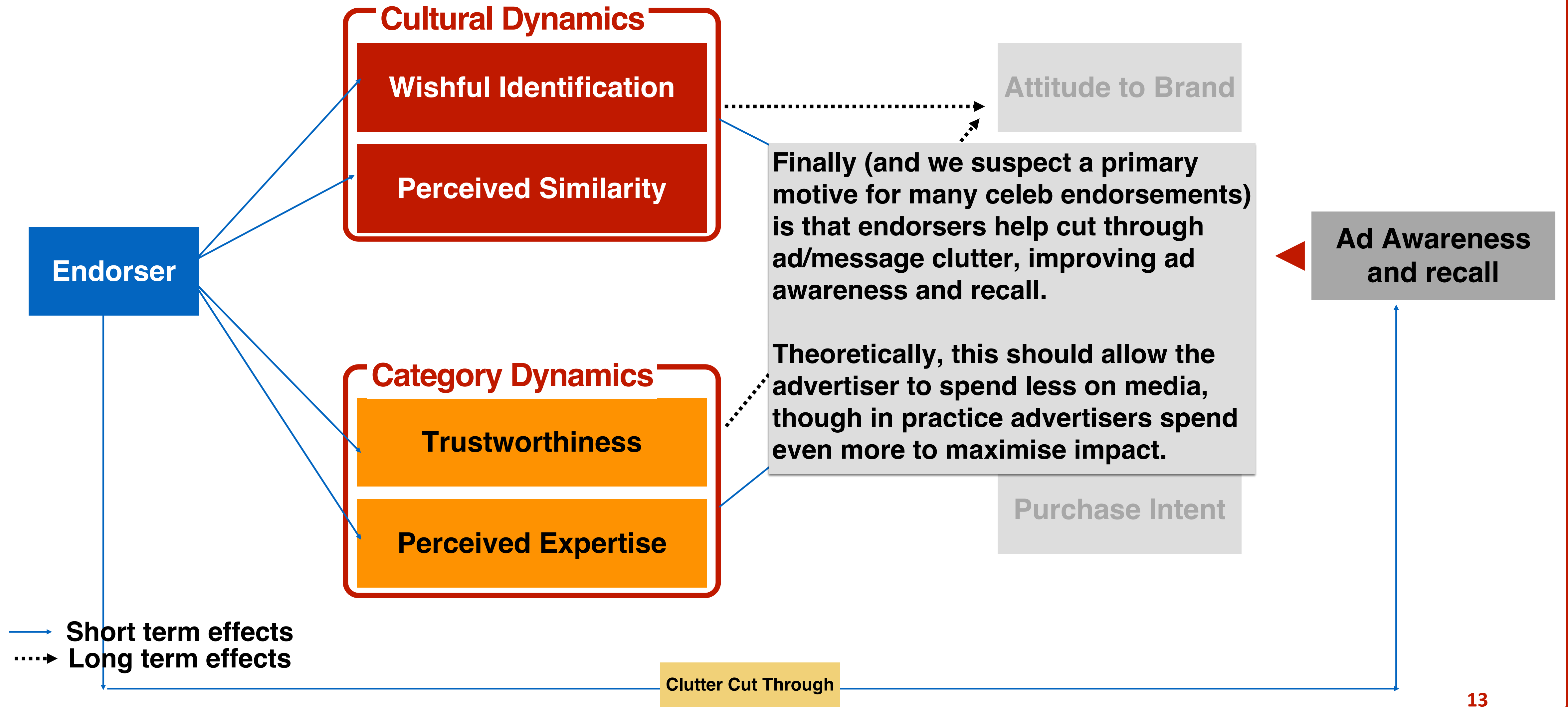
Endorser Influence Framework



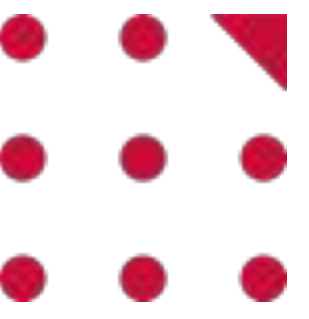
A Model



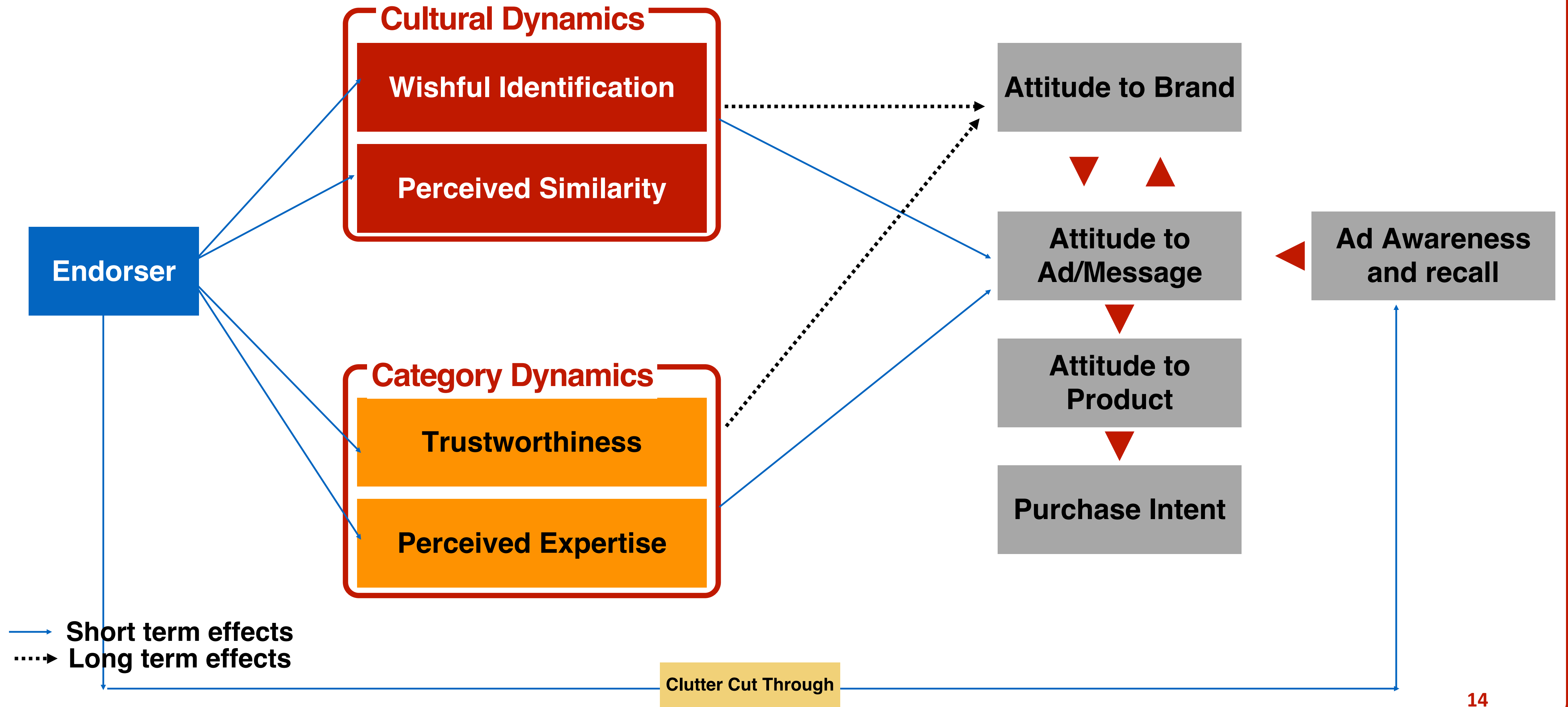
Endorser Influence Framework



The Complete Model



Endorser Influence Framework

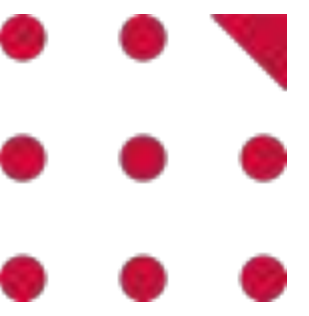


⋮⋮⋮ A PRIORI

**Evidence on the
impact of Celebrity
Endorsement.**



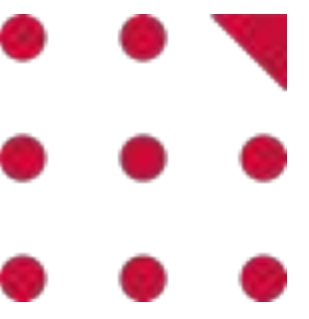
Research data on celebrity endorsement



In our experience, the decision to use celebrity endorsement is *driven significantly by gut & intuition*, anecdotes, opinions of stakeholders (dealers, retailers etc) or competitive pressure.

We attempt to present some research findings to evaluate if celebrity endorsement works or not and more crucially, in what circumstances. Like any research study, please evaluate the findings with appropriate caveats - different audiences, categories and contexts. However, this is a useful foundation to construct priors if you are deciding on using celebrities to endorse your product.

9 Hyptheses and 1 research question



Published Oct 2016, Knoll & Matthes did a meta-analysis of 46 published studies until April 2016 involving 10357 participants, covering multiple categories in Western countries.

The authors explored 9 Hypotheses and 1 Research Question in their meta-analysis. These were

3. As compared with non-celebrity endorsement or no endorsement, celebrity endorsements evoke stronger behavioural intentions and behaviour

4. Male celebrity endorsers evoke stronger endorsement effects when compared to female ones

7. Explicit endorsements evoke stronger effects than implicit ones

8. Celebrity endorsement effects increase with increased endorsement exposure

9. Celebrity endorsement effects are stronger for unfamiliar objects when compared to familiar ones

1. As compared with non-celebrity endorsement or no endorsement, celebrity endorsements evoke greater attention, interest, and awareness as well as perceptions more in line with the respective endorser.

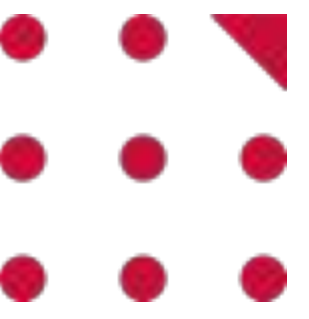
2. As compared with non-celebrity endorsement or no endorsement, celebrity endorsements evoke more positive attitudes towards the ad and endorsed object

5. Actors elicit stronger celebrity endorsement effects when compared to other types of celebrities such as models, musicians, athletes or TV hosts.

6. Congruent celebrity endorsers evoke stronger endorsement effects when compared to incongruent ones

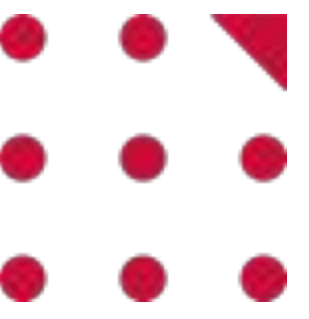
10. Do celebrity endorsements differ in their effectiveness depending on the control group applied (i.e. is the effectiveness of celebrity endorsement better than for no endorsement, other types of endorsement like 'Seals', awards, or endorser brands.

Findings of the Meta Analysis



HYPOTHESIS	RESULT	REMARKS/DETAILS
H1: Celeb endorsement evoke greater attention, interest and awareness	REJECTED	There were no 'average' effects of celebrity endorsement on consumer's awareness
H2: Celeb endorsement evoke more positive attitudes towards the ad and the endorsed product	PARTIALLY CONFIRMED	Celeb endorsement positively affect attitudes to endorsed product Vs No endorsement; there are no average effects towards attitude to ad.
H3: Celeb endorsement evoke stronger behavioural intentions and behaviour	REJECTED	There were no average effects of celeb endorsement on consumers' behavioural intentions.
H4: Male celeb endorser evoke stronger endorsement effects	CONFIRMED	Male endorsers perform better than female endorsers do
H5: Actors evoke stronger endorsement effects	PARTIALLY CONFIRMED	Actors perform better than models, musicians, and TV Hosts do
H6: Congruent celeb endorsers evokes stronger endorsement effects	CONFIRMED	Congruent endorsers perform better than incongruent performers do
H7: Explicit endorsement effects stronger effects	REJECTED	Implicit endorsements perform better than explicit endorsements do
H8: Celebrity endorsement effects increase with increased exposure	REJECTED	Endorsement frequency has no impact on consumer responses
H9: Celebrity endorsement effect is stronger with unfamiliar objects.	CONFIRMED	Endorsement of unfamiliar objects perform better than endorsement of familiar objects
RQ1: Celebrity endorsement is better than other types of endorsement like Seals, Awards, Endorser brand.		Celebrity endorsement perform best/better when compared to no endorsement; they perform less well as compared to quality seals, awards or endorser brands

Implications of the research



Celebrity endorsement is NOT a magic pill or a sure-shot success formula.

The result that celebrity endorsements have no positive average effects (H1-H3) is important.

Managers who first decide to on-board a celebrity and then think of developing communication should note these results.

There are some pointers to what type of an endorser works best

Congruent with your category and brand, male, actors (H6, 4, 5) have the highest probability of success.

Better suited for new products

Celebrity endorsement works better for new products rather than familiar, well-established brands (H9)

Adopt a different media strategy

The result that increased endorsement frequency has no effect should also point to a different media strategy that prioritises reach over frequency for the same budget. (H8)

Implicit endorsement better than explicit endorsement

Impact on communication development is higher of implicit vs explicit --> (I use/ trust/ rely on etc)

Evaluate alternate endorsements

Choices like awards, seals, studies and endorser brands. These are seen to have a stronger effect than celebrity endorsement though celeb endorsement perform better than no endorsement at all. (RQ1)

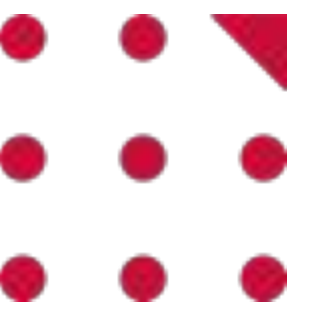


A PRIORI

Summary & Final Words

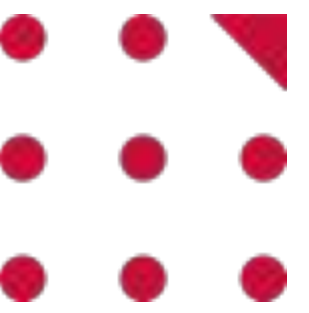


Final Words



- Celebrity Endorsement is ubiquitous in India; an estimated 50% of all commercials on TV are endorsed by a celebrity. At the same time, costs of signing up celebrities is rising.
- Too many clients decide on getting a celebrity on-board first and then develop their marketing strategy around that decision.
- Data on effectiveness of celebrity endorsement is scarce and, unfortunately, anecdotes & case studies suffer from confirmatory bias (selective data to support decision).
- There is merit in approaching this strategic decision in a structured manner.
- In this note we provide a model and data that can be used as a foundation for shaping your strategy.
- Perhaps the final words, though, should be from the legendary founder of Nike, Phil Knight. His mantra for the choice of endorsers for Nike was that he looked for 3 qualities in a prospective athlete - Charisma, Talent and Character. It is a very simple but important guidance for your final choice of endorser.

A Priori credentials



A Strategy + Marketing Consultancy Firm that helps client accelerate business growth through marketing initiatives. We bring together a network of unmatched experience and expertise across different industries, business issues and brands.



Atishi Pradhan

25 years+ experience in Advertising as Global Planning Director, JWT. Worked across multiple industries. Faculty at IIM Ahmedabad. MBA from IIM Ahmedabad



Devapriya Khanna

20 years+ experience Senior leadership experience in CPG as Director Marketing, Carlsberg and Head of Marketing at Oriflame. MBA from IMI with specialisation in MarCom



Niloy Mukherjee

25 years+ experience in Sales & Marketing. Previously, VP Sales & Marketing, Dell. Led Pricing Line for McKinsey Asia. MBA from IIM Ahmedabad



Shubhajit Sen

25 years+ experience. Previously, MD Grohe India, CMO, Micromax; VP & Global Leader at GSK Consumer. MBA from IIM Ahmedabad



Srinivas Murthy

20 years+ experience. Previously, VP Marketing Snapdeal and Marketing Director, Coca Cola, India. MBA from IIM Calcutta



Aditi Gupta

16 years+ experience in Product Marketing in CPG. International experience. Graphic Design experience & education.



Rachita Dutta

25years+ experience across advertising and research



Samrat Das Gupta

19 years+ experience in Marketing services. Former head of Experiential Marketing, Cheil India



Apoorva Mathur

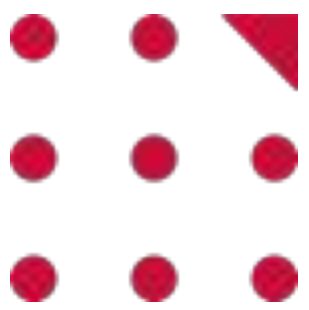
7 years+ experience in FMCG and dev sector. Previous role at TGB. MBA from Hong Kong University.



Drishti. J Verma

Fresh graduate from University in Delhi with a Bachelors in Communication and Research.

Reach out to us at contactus@aprioriconsultants.com



Disclaimer

The services and materials provided by Apriori Solutions Private Limited ("Apriori") are subject to detailed agreements executed by Apriori in this regard. Apriori does not provide legal, accounting or tax advice and the Client is requested to consult its respective professional advisor independently for the same. Such professional advice may affect the guidance given by Apriori. Further, Apriori has made no undertaking to update these materials after the date hereof, notwithstanding that such information may become outdated or inaccurate.

The trademark, copyrights, patents, utility model rights, design rights and other intellectual property rights over the research methodologies, preparation techniques, findings and models used or embodied in this document are the exclusive property of Apriori.

The materials contained in this presentation are intended for the sole use of the board of directors or senior management of the Client and for the limited purposes described in the presentation. The materials are not intended for commercial circulation and the Client agrees the information, as included in this document is confidential to the person(s) to whom it is addressed and should not be disclosed to any other person or party. It may not be reproduced in whole, or in part, any of the information contained therein may not be disclosed without the prior consent of Apriori. Any form of reproduction, dissemination, copying, disclosure, modification, distribution and/or publication of this material is strictly prohibited. The Client understands that the materials are intended to only serve as the focus for discussions and are incomplete without the accompanying oral commentary and may not be relied upon on a stand-alone basis. Third Parties may not, and it is unreasonable for any Third Party to, rely on these materials for any purpose whatsoever. To the fullest extent permissible by law Apriori shall not have any liability whatsoever to any Third Party, and any Third Party hereby waives any rights and claims that it may have at any time against Apriori with regard to the services, this presentation or other materials, including the accuracy or completeness of the same. Receipt and review of this document shall be deemed agreement with and consideration for the foregoing. If you are not the intended recipient, you may not disclose or use the information in this document in any way.

Apriori does not provide fairness opinions or valuations of market transactions, and these materials should not be relied upon or construed as such. Further, the financial evaluations, projected market and financial information, and conclusions contained in these materials are based upon standard valuation methodologies, are not definitive forecasts, and are not guaranteed by Apriori. Apriori has used public and/or confidential data provided to Apriori by the Client. Apriori has not independently verified the data and the assumptions used in these analytics, and any inaccuracy or incompleteness of the said data or any changes in the said data or operating assumptions will clearly impact the analyses and conclusions.

COVID-19 and its surrounding circumstances are evolving on a regular basis. The views in this presentation are based as of the date of the presentation and is subject to any changes that may take place on account of COVID-19. It is further clarified that all suggestions made in this presentation are to be considered in conjunction with applicable laws, particularly those relating to health and safety advisories and directions issued in view of COVID-19 and any other related matters