



Celebrity Endorsement and its Influence on Brand Perception and Image

Prasen S

Master of Business Administration, CMS Business school, Jain university

DOI: <https://doi.org/10.55248/gengpi.5.0424.10122>

ABSTRACT

Promoting a company's product by means of a brand ambassador may increase the value or equity of the brand, which in turn can be used to leverage the brand via brand extension. Despite the fact that brand personality also feeds brands to increase their market share, demand higher prices, and protect themselves from competitors that provide discounts. The practice of endorsing a product or service with the help of a famous person has become more common as a means of solving the issues of excessive advertising, facilitating easy brand recall, and transferring positive connotations to the product or service in question. Several theories, such as the Source Credibility Theory, the Source Attractiveness Theory, and the Meaning Transfer Theory, provide forth a clear framework for analysing the impact of celebrities on customers' purchasing decisions. It's common knowledge that finding and employing the perfect celebrity may cost a company a fortune in advertising.

Introduction

The study of celebrity endorsement and its influence on brand perception and image is rooted in the recognition of the significant role that celebrities play in modern marketing strategies. In today's highly competitive marketplace, brands are constantly seeking innovative ways to capture consumers' attention, build brand awareness, and foster positive associations with their products or services. Celebrity endorsement has emerged as a powerful marketing tool that allows brands to leverage the popularity, credibility, and influence of well-known personalities to enhance their brand perception and image. The rationale for conducting this study lies in the need to gain deeper insights into the dynamics of celebrity endorsement and its implications for brand management.

By examining the impact of celebrity endorsement on brand perception and image, this research aims to address several key questions that are pertinent to marketers, advertisers, and researchers alike.

Firstly, understanding how consumers perceive brands that are endorsed by celebrities is crucial for brand managers seeking to devise effective marketing strategies. Celebrity endorsements can shape consumers' attitudes, beliefs, and preferences towards a brand, influencing their purchase decisions and brand loyalty. By examining the factors that influence consumers' brand evaluations in the context of celebrity endorsements, this study aims to provide valuable insights into the mechanisms through which celebrity endorsement affects consumer behavior and brand perception.

Secondly, the motivation for studying celebrity endorsement lies in the desire to uncover the underlying psychological mechanisms that drive the influence of celebrity endorsements on brand perception and image. Celebrities serve as powerful influencers who evoke emotional responses and create aspirational associations with brands. By examining concepts such as association, social identity, credibility, emotional connection, attention, and recall, this research seeks to elucidate the mechanisms through which celebrity endorsement exerts its influence on consumer attitudes and brand image. Understanding these mechanisms is essential for brand managers seeking to harness the full potential of celebrity endorsements in their marketing campaigns.

Furthermore, the study of celebrity endorsement and its impact on brand perception and image is motivated by the need to explore the implications of celebrity endorsements for brand managers and advertisers. While celebrity endorsements can offer numerous benefits such as increased brand visibility, credibility, and sales, they also pose certain risks and challenges. Issues such as celebrity scandals, controversies, or overexposure can negatively impact brand image and consumer attitudes. By examining the potential risks and challenges associated with celebrity endorsements, this research aims to provide guidance for brand managers on how to mitigate these risks and effectively manage their celebrity partnerships to enhance brand equity and competitive advantage.

The study of celebrity endorsement and its influence on brand perception and image is motivated by the desire to gain deeper insights into the dynamics of this marketing strategy and its implications for brand management. By examining consumer perceptions, psychological mechanisms, and managerial implications of celebrity endorsements, this research aims to contribute to the advancement of knowledge in the field of marketing communication and brand management, providing valuable insights for marketers, advertisers, and researchers alike.

Literature Review

It has been noted by **Agrawal and Kamakura** (1995) that, depending on the celebrity's level of fame and popularity, the cost of an endorsement deal may range into the millions of dollars over the course of many years.

Note: **Agrawal, 1995** Throughout their careers, celebrities' popularity might fluctuate up and down depending on their performances. The efficacy of a celebrity endorsement often decreases when the endorsee fails to perform acceptably, as determined by customers.

This is a quote from **Atkin and Block** (1983), who compared the success of a famous beer endorsement to that of an ordinary person. They discovered that the commercial was judged as more engaging, powerful, and effective when a famous person was included.

[**Clark & Horstman, 2003**] A number of hypotheses have been put up on the effects of celebrity endorsement, such as I increased product recall, increased product desirability, and improved quality judgments due to consumers' mental association of the product with the celebrity endorser's image. Experiments show that in certain contexts, a celebrity's name on a product's packaging may increase product recognition and positive reviews.

Expertise, according to **Erdogan** (1999), is "the amount to which a communicator is seen to be a source of valid statements."

It was shown by **Erdogan et al.** (2001) that a celebrity's endorsement may have a significant favorable effect on a company's bottom line. The reliability and trustworthiness of a celebrity may influence the purchasing decisions of their fans. When there is bad press about an endorser, it reflects poorly on the product and the endorser.

According to **Karins's** (1990) research, the effectiveness of celebrity endorsements is boosted when the celebrity's image and the product's image are complementary.

According to research conducted by **Kulkarni and Gaulke** (2007), corporations spend considerable sums on advertising to get the services of the suitable celebrity. However, the potential profits the corporation may make from the brand are unclear.

Celebrity sponsorships are seen as harmful because celebrities are more likely to be involved in undesired occurrences, the consequences of which may be attributed to the endorsing company (**Louie et al., 2001**). Very high levels of blame for unfavorable occurrences have a deleterious effect on the value of the company and the reputation of the brand. It may also affect how well a celebrity endorsement works and how buyers feel about the promoted product. Endorsing celebrities have been engaged in a broad variety of unwanted activities, including being hurt and breaking the law.

Mathur et al. (1997) found that the majority of an advertising budget goes toward celebrity endorsements since they are effective expenditures. There is abundant evidence that celebrities may increase sales and profits for their corporate sponsors.

According to **Mc Cracker** (1989), a celebrity spokesperson will only be successful if it is possible to accurately measure the meanings customers assign to the endorser and how those meanings are then applied to the business.

Mishra and Charming (1990) Evidence from studies like Petty et al. (1983) and Menon et al. (2001) shows that using celebrities to promote a product or service improves memory in the min

Methodology

Research methodology in studying celebrity endorsement and its influence on brand perception and image involves a comprehensive framework encompassing various approaches and techniques to gather, analyze, and interpret data. To investigate this complex phenomenon, researchers employ a mix of quantitative and qualitative methods, drawing on diverse sources of information to gain insights into consumer attitudes, behaviors, and perceptions.

Quantitative research methods, such as surveys and experiments, play a crucial role in quantifying the impact of celebrity endorsements on brand perception and image. Surveys allow researchers to collect large-scale data from a representative sample of consumers, enabling them to assess the prevalence of celebrity endorsements, measure brand perceptions, and gauge consumer attitudes towards endorsed brands. By employing structured questionnaires with standardized measures, researchers can analyze statistical relationships between variables, such as celebrity likability, brand recall, and purchase intent, to identify patterns and trends in consumer responses.

1. **Consumer Survey:** Develop a survey questionnaire to collect quantitative data on consumer perceptions of fashion brands endorsed by celebrities, including factors such as credibility, likability, and purchase intent. Explore how different digital marketing channels influence consumer attitudes towards celebrity-endorsed brands.
2. **Social Media Analysis:** Conduct a comprehensive analysis of fashion brands' social media presence on platforms like Instagram, Facebook, and TikTok. Evaluate the frequency and engagement levels of celebrity endorsements in brand content and assess their impact on audience interactions and brand sentiment.
3. **Influencer Interviews:** Conduct qualitative interviews with fashion influencers, celebrities, and brand ambassadors to understand their perspectives on the effectiveness of celebrity endorsements in shaping brand perception and image.

4. **Customer Behavior Analysis:** Utilize data analytics tools to analyze customer behavior data, including browsing patterns, purchase history, and engagement metrics. Assess the influence of celebrity endorsements on customer decision-making processes and identify trends in consumer preferences within the fashion industry.
5. **Content Analysis:** Analyze the content and messaging of fashion brands' digital marketing campaigns, including email newsletters, shoppable posts, and virtual events. Evaluate the effectiveness of different content formats in conveying brand values and leveraging celebrity endorsements to enhance brand image.
6. **Comparative Analysis:** Compare the performance of fashion brands that utilize celebrity endorsements in their digital marketing strategies with those that rely on alternative marketing approaches. Identify key success factors and best practices for maximizing the impact of celebrity endorsements on brand perception and image.
7. **Market Segmentation:** Segment survey respondents and social media followers based on demographic factors such as age, gender, and income level. Analyze how different consumer segments perceive celebrity endorsements and tailor digital marketing strategies accordingly to optimize brand perception and image.
8. **Longitudinal Study:** Conduct a longitudinal study to track changes in consumer attitudes towards celebrity endorsements and brand perception over time. Evaluate the sustainability and long-term effects of celebrity endorsement strategies in shaping brand image within the dynamic fashion industry landscape

Results and Discussion

The analysis of the advantages and disadvantages of using celebrities for product or service promotion, elucidates a multifaceted landscape of celebrity endorsements in marketing. Through comprehensive examination, it was discerned that the efficacy of celebrity endorsements is contingent upon several variables, prominently including the nature of advertisement exposure. The chi-square test revealed a statistically significant relationship between respondents' exposure to commercials and their perceptions of the effectiveness of celebrity endorsements, thereby emphasizing the pivotal role of advertising platforms in shaping consumer perceptions. While the study unveiled a divergence of opinions among participants, with some acknowledging the benefits of celebrity endorsements in augmenting brand visibility and credibility, others raised concerns regarding authenticity and potential drawbacks. The perceived advantages, such as increased brand awareness and the association with positive celebrity attributes, were juxtaposed with apprehensions surrounding high costs, the risk of negative publicity, and authenticity challenges. Consequently, the research underscores the importance for brands to conduct thorough evaluations of the potential benefits and pitfalls associated with celebrity endorsements, taking into account factors such as target audience demographics and brand congruence. By adopting a nuanced approach, brands can navigate the complexities of celebrity endorsements adeptly, optimizing their marketing endeavors to resonate effectively with consumers and achieve overarching business objectives.

Findings

1. **Celebrity Usage in Real Life:** 41.3% of respondents find endorsements most appealing when celebrities are shown using the product in real-life scenarios.
2. **Mention of Approval:** 32.7% of respondents prefer endorsements where celebrities simply mention their approval of the product.
3. **Limited-Edition Product Collaborations:** Only 26% of respondents find celebrity collaborations on limited-edition product designs appealing.
4. **Prevalence of Real-Life Usage:** The majority of respondents ($41.3\% + 32.7\% = 74\%$) prefer endorsements where celebrities are directly involved in using or endorsing the product.
5. **Impact of Demonstrated Usage:** Endorsements where celebrities demonstrate usage of the product seem to have a greater appeal, as they garner a combined preference of 41.3%.
6. **Appeal of Celebrity Approval:** About one-third (32.7%) of respondents appreciate endorsements where celebrities express their approval of the product without necessarily demonstrating its usage.
7. **Limited Appeal of Collaborations:** Collaborations on limited-edition product designs are less appealing, with only 26% of respondents finding them attractive.
8. **Preference for Authenticity:** The findings suggest a preference for authentic endorsements that showcase real-life usage or genuine approval from celebrities.
9. **Influence of Authenticity:** Authenticity appears to play a significant role in shaping consumer perception and preference for celebrity endorsements.
10. **Engagement with Real Scenarios:** Endorsements featuring celebrities using products in real-life scenarios may enhance consumer engagement and credibility.

11. Trust in Celebrity Usage: Consumers may trust endorsements more when they see celebrities actually using the products in their daily lives.
12. Effectiveness of Celebrity Testimonials: Endorsements where celebrities express approval without direct usage may still be effective in influencing consumer perception.
13. Potential for Word-of-Mouth Marketing: Celebrity mentions and testimonials could lead to word-of-mouth marketing, especially if consumers perceive them as genuine.
14. Limited-Edition Collaboration Impact: Collaborations on limited-edition product designs have a narrower appeal, possibly due to their limited availability or niche market.
15. Unique Appeal of Product Collaborations: While less popular overall, collaborations may still attract consumers looking for unique or exclusive products.
16. Niche Audience for Collaborations: Limited-edition collaborations may appeal more to niche audiences or collectors rather than the general consumer base.
17. Celebrity Endorsement Dynamics: The findings highlight the diverse dynamics at play in celebrity endorsements, ranging from usage demonstrations to collaborative ventures.
18. Consumer Perception of Celebrity Involvement: Consumer perception of celebrity involvement varies based on the level of engagement and authenticity portrayed endorsements.
19. Brand Image and Celebrity Partnerships: Brands must consider their image and target audience when choosing the type of celebrity partnership to maximize effectiveness.
20. Balancing Authenticity and Creativity: Brands need to strike a balance between authenticity and creativity in celebrity endorsements to resonate with consumers effectively.

Conclusion

In the realm of marketing, celebrity endorsements represent a powerful tool for brands to amplify their message, increase brand visibility, and connect with consumers on a deeper level. This research has provided valuable insights into the advantages and disadvantages associated with celebrity endorsements, offering nuanced perspectives that can inform strategic decision-making for brands.

As evidenced by the findings, celebrity endorsements hold immense potential for enhancing brand credibility, fostering consumer trust, and driving purchase intent. By leveraging the influence and appeal of well-known personalities, brands can effectively cut through the clutter of advertising noise and capture the attention of target audiences. Moreover, celebrity endorsements offer a unique opportunity for brands to associate themselves with the aspirational qualities and lifestyles embodied by celebrities, thereby elevating their brand image and positioning in the market.

However, amidst the allure of celebrity endorsements lie inherent risks and challenges that brands must navigate with caution. One of the primary concerns highlighted by the research is the potential for reputational damage stemming from controversies or negative publicity surrounding the celebrity ambassador. Brands must carefully assess the suitability and reputation of potential endorsers to mitigate such risks and safeguard their brand equity. Additionally, the authenticity of the endorsement plays a pivotal role in determining its effectiveness. Consumers are increasingly discerning and can easily detect insincerity or opportunism in celebrity endorsements. Therefore, brands must ensure that the partnership with the celebrity ambassador aligns with their values, resonates authentically with their target audience, and reflects genuine affinity for the product or service being promoted.

Acknowledgement

I have taken efforts in this Master Thesis. However, it would not have been possible without the kind support and help of many individuals and researchers. I would like to extend my sincere thanks to all of them.

With profound sense of gratitude and regards, I acknowledge with great pleasure the guidance and support extended by name, faculty in CMS BUSINESS SCHOOL, Bangalore.

I would like to express my gratitude towards my parents & members of CMS BUSINESS SCHOOL for their kind co-operation and encouragement which helped me in completion of this project.

References

1. A study on consumer attitude perception about celebrity endorsement [Online]. *International Journals of Marketing and Technology* International Journals of Multidisciplinary Research Academy: [date unknown]. <https://www.indianjournals.com/ijor.aspx?target=ijor&%3Aijmt&volume=2&issue=12&article=012>.

2. **Adiba ST, Suroso A, Afif NC.** The effect of celebrity endorsement on Brand Image in Determining Purchase intention [Online]. *Journal of Accounting, Business and Management (JABM)*: [date unknown]. <https://journal.stie-mce.ac.id/index.php/jabminternational/article/view/700>
3. Author links open overlay panelSamuel Seongseop Kim a, a, b, AbstractThis study explores the effectiveness of using Korean celebrities to endorse a Korean hotel in the Japanese market. Specifically, Bohrnstedt G, Englis B, Fink J, Fryxell G, Glover P, Han H, Han E, Henderson JC, Horng J-S, Huber F, Ketchen DJ, Kim S, Lafferty B, Lee S, Lemmink J, McDaniel S, Nguyen N, Stallen M, Tsai W, Wang H-Y, Wang H, Wang K-C, Amini A, Amos C, Babbie E, Barbara M, Blishak SA, Bollen K, Bos B, Carlson B, Carrie L, Chang J, Cheung G, Comrey A, Dean D, Dholakia R, Ding H, Dowling G, Toit MD, Ewin R, Erdogan Z, Erdogan B, Farrell K. Effect of celebrity endorsement on tourists' perception of corporate image, corporate credibility and corporate loyalty [Online]. *International Journal of Hospitality Management* Pergamon: 2013. <https://www.sciencedirect.com/science/article/abs/pii/S0278431913001692>
4. A study on consumer attitude perception about celebrity endorsement [Online]. *International Journals of Marketing and Technology* International Journals of Multidisciplinary Research Academy: [date unknown]. <https://www.indianjournals.com/ijor.aspx?target=ijor%3Aijmt&volume=2&issue=12&article=012>.
5. **Annissa AN, Paramita EL.** Brand promotion: The effects of celebrity endorsement and brand image on consumer buying decision [Online]. *Jurnal Bisnis dan anajemen*: [date unknown]. <https://jurnal.unmer.ac.id/index.php/jbm/article/view/5413>
6. **Chan K, Ng YL, Luk EK.** Impact of celebrity endorsement in advertising on Brand Image among Chinese adolescents [Online]. *Young Consumers* Emerald Group Publishing Limited: 2013. <https://www.emerald.com/insight/content/doi/10.1108/17473611311325564/full/html>
7. **Dwivedi A, Johnson LW, McDonald RE.** Celebrity endorsement, self-brand connection and consumer-based Brand Equity [Online]. *Journal of Product & Brand Management* Emerald Group Publishing Limited: 2015. <https://www.emerald.com/insight/content/doi/10.1108/JPBM-10-2014-0722/full/html>.
8. **Fitri FR.** The influence of celebrity endorsement in social media Instagram on attitude towards brand and brand image to customer purchase intention [Online]. *Jurnal Akuntansi, Manajemen dan Ekonomi*: [date unknown]. <http://jos.unsoed.ac.id/index.php/jame/article/view/1034>
9. <https://www.tandfonline.com/doi/abs/10.1080> ... - [researchgate](https://www.researchgate.net/publication/339128435_httpswwwtandfonlinecomdoiabs1010800013188940360202): [https://www.researchgate.net/publication/339128435_httpswwwtandfonlinecomdoiabs1010800013188940360202]
10. *Influence of celebrity endorsement on consumer purchase intention for existing products: A comparative study* by Raja Ahmed Jamil, Syed Rameez Ul Hassan :: SSRN: [date unknown]. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2566816
11. *Kojo, Osei Frimpong*: <https://scholar.google.com/citations?user=50ax3-0AAAAJ&hl=en>
12. **Laura L.** Gender influence on the perception of celebrity endorsement [Online]. *Studia Universitatis Vasile Goldiş, Arad - Seria Ştiinţe Economice* Editura Universităţii Vasile Goldiş: 1970. <https://www.cceol.com/search/article-detail?id=859149>
13. **Mukherjee D.** Impact of celebrity endorsements on Brand Image [Online]. SSRN: 2009. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1444814
14. **Nelson O, Deborah A.** Celebrity endorsement influence on Brand Credibility: A critical review of previous studies [Online]. *Online Journal of Communication and Media Technologies* Bastas: 2017. <https://www.ojcm.net/article/celebrity-endorsement-influence-on-brand-credibility-a-critical-review-of-previous-studies>
15. Perceived effectiveness of celebrity endorsement on perceived brand evaluation in the scope of services sector : A review paper [Online]. *Al Manhal Platform*: <https://platform.almanhal.com/Files/Articles/107501>
16. **Person.** Managing celebrities as brands: Impact of endorsements on celebrity Im [Online]. *Taylor & Francis* Taylor & Francis: 2006. <https://www.taylorfrancis.com/chapters/edit/10.4324/9781410617392-19/managing-celebrities-brands-impact-endorsements-celebrity-image>.
17. **Saumendra D, Padhy PK.** Brand perception by celebrity endorsement [Online]. SSRN: 2015. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2592412.
18. **Spry A, Pappu R, Cornwell TB.** Celebrity endorsement, Brand Credibility and brand equity [Online]. *European Journal of Marketing* Emerald Group Publishing Limited: 2011. <https://www.emerald.com/insight/content/doi/10.1108/03090561111119958/full/html>
19. *Wiley Online Library | Scientific Research Articles, journals, books, and reference works*: [date unknown]. <https://onlinelibrary.wiley.com/>.