

Celebrity Endorsement, Consumer Based Brand Equity: A Literature Review

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ABSTRACT

Celebrity endorsement (CE) is brand management strategy, and a firm invests significant amount on CE, particularly new firm they perceive that celebrity will add value to the brand they endorse and increase consumer based brand equity (CBBE) of firm. According to Kamakura and Russell (1991) "CBBE occurs when the consumers are aware of the brand and holds some favorable, strong, and unique brand associations in their memory". A literature review has been conducted on CE and CBBE. The study finds positive relationship between CE and CBBE. This study will help manager in decision making while tying up with celebrities.

Keywords: Brand Management Strategy, CBBE, Brand Image, Celebrity Endorsement.

INTRODUCTION:

Celebrities play a big role in setting style standards through their highly visible lives among consumers and also influence consumers. The idea behind tying up with celebrity is to connect with their fan base; They are the ones most likely to use or shop the product. Celebrity impacts very quickly on brand dimension like brand awareness, brand association, perceived quality, and brand loyalty. CBBE defined by Keller (1993) as "the differential effect of brand knowledge on consumer response to the marketing of the brand".

CBBE occurs when consumer is aware of our brand and holds good experience of brand, and prefer our brand among others brand (Kamakura & Russell, 1991).

Celebrity Endorsement (CE):

Celebrities are very well known personalities in public, famous for their attractiveness, expertise, talent, and credibility. CE defined by McCracken (1989) as "any individual who enjoys public recognition and who uses this recognition on behalf of a consumer good by appearing with it in an advertisement". Celebrities are public figures because for their particular expertise in the respective area, he or she may be actors, models, businessmen, politicians, entertainers, etc. A firm employs a celebrity in endorsement as a testimonial or as a spokesperson. In testimonial, celebrities share personal experience of product and service to consumers (Roy & Moorthy, 2009); basically they attest the product's superiority or excellence in testimonial. Whereas as a spokesman or spokeswomen, celebrities represent a firm or brand as brand ambassador (Roy & Moorthy, 2009). Advertisers use celebrity's advantage to make advert more appealing, memorable and authentic. The three factors in consumer attitude towards endorsement: (a) The determinant of consumer's attitude towards celebrity endorsed product (b) Congruence between the celebrities perceived image and the product they endorse (c) The dimension of Celebrity endorsement. Celebrity endorsed product are more engaging because of the celebrities featured.

CE is a part of a brand management strategy which supports corporate or brand image. Corporates invest good amount of money in side of their brand with endorser qualities such as attractiveness, expertise and trustworthiness. According to Ohanian (1990) "Attractiveness refers to consumer perceptions of physical appeal

of an endorser". Attractiveness does not mean only physical attractiveness; it consists also a number of virtuous characteristics which a consumer may perceive in celebrity endorser, like personality, intellectual skills or athletic prowess (Erdogan, 1999). Endorser expertise refers to ability, knowledge. Trustworthiness of endorser is honesty and integrity.

Celebrity Endorsement Models:

The source attractiveness model is an effective model to conveying message. Consumers influence very quickly because of celebrity's physical appearance, and status. According to Jain, Sudha & Daswani (2009) "The message is more effective when the source is similar, familiar and liked by the receiver". The Product match- up hypothesis model is related to celebrity image matches and product image; message is effective when both image of celebrity and product equals. According to McCracken (1989), transfer model states that symbolic meaning of celebrity is transferred to consumers through the endorsement process. Celebrity (status, lifestyle) transmit to the product. A belief among advertisers are celebrity endorsed product, possess a high degree of appeal, and reach to mass consumers very quickly than non-celebrities. So major brand engages celebrity as marketing communication (marcom) strategy to differentiate their product and services in the market through celebrities. They invest good amount of money on endorser qualities like, attractiveness, expertise, and trustworthiness. They think that endorser qualities will work in transferable way and will have positive effect on CBBE.

The source credibility model initially originated from the study of Hovland, Janis, and Kelley (1953). The study resulted two variables of source credibility; expertness and trustworthiness. Hovland et al (1953) defined "expertise as the extent to which a communicator is perceived to be a source of valid assertions, and trustworthiness as the degree of confidence in the communicator's intent to communicate the assertions he considers most valid". Good characteristics of communicator has influence on message. Such endorsers are able to change consumer behavior towards a product (Hovland et, al, 1953; Ohanian, 1990). Endorser's credibility is consumer perception i.e. - attractiveness, expertise and trustworthiness of endorser (Dwivedi, Johnson, McDonald, 2015). According to Jain et al (2009) credible source are more effective in delivering the message. So effect of the message depends on endorser qualities such as expertise (honesty, integrity, and believability) and trustworthiness (knowledge, experience and skills). Credible celebrity affects values, beliefs, opinion and behavior of consumer. Celebrity marketing effectiveness depend on credibility of communicator' qualities – expertness, trustworthiness and attractiveness (McCracken, 1989). Numerous studies support that credible celebrities are more effective or persuasive than a low of credible celebrities (McCracken, 1989; Ohanian, 1990; Erdogan 1999). According to Erdogan (1999), the source credibility model states that the effectiveness of message depends on perceived level of endorser's trustworthiness and expertise. To measure the all dimension- attractiveness, trustworthiness, and expertise of celebrity, a scale had developed by Ohanian (1990).

Ohanian (1990) reviewed literature of attractiveness construct of celebrity. He summarized that attractiveness is not uni - dimensional construct. This construct has been defined in terms of both facial and physical attractiveness. Expertise, trustworthiness and attractiveness has positive effect on attitude change (Hovland et, el 1953; Dwivedi et al, 2015; Ohanian, 1990)

Consumer Based-Brand Equity (CBBE):

CBBE is said when consumer prefer the brand over others brand in the market because of brand association. In such case, consumer will be highly loyal to particular brand. According to Aaker (1991) four dimensions of brand like: brand awareness, brand association, perceived quality and brand loyalty are very important from consumer perspective.

Consumer-based brand equity is defined as "the value consumers associate with a brand, as reflected in the dimensions of brand awareness, brand associations, perceived quality and brand loyalty" (Pappu, Quester and Cooksey 2006).

Keller (1993) coined the CBBE definition as "the differential effect of brand knowledge on consumer response to the marketing of the brand".

As Keller (1993) said, positive customer-based brand equity "can lead to greater revenue, lower cost, and higher profit; it has direct implications for the firm's ability to command higher prices, a customer's willingness to seek out new distribution channels, the effectiveness of marketing communications, and the success of brand extensions and licensing opportunities". Literature review conducted on celebrity endorsement and consumer based brand equity; table below present observation and variable of the article.

Celebrity Endorsement and Consumer- Based Brand Equity:

| Authors | Observation | Variables |
|---|---|---|
| Dwivedi ,Johnson, McDonald (2015) | CE qualities attractiveness, trustworthiness and expertise has significant effect on CBBE. | Attractiveness, Trustworthiness, Expertise |
| S. Sivesan (2013) | CE and BE are positively correlated. Cosmetic companies need celebrity for endorsement to increase brand equity. | Attractiveness, Trustworthiness, Expertise, |
| Ogunsiji, A. Sola (2012) | Credibility of celebrity is very important. It is very important aspect of celebrity. In a brand building process, celebrity plays key role. It can be replaced | Celebrity credibility, personality, popularity, communication |
| Spry, A., Pappu, R., & Bettina Cornwell, T. (2011) | CE has effect on CBBE. Celebrity Endorser credibility must be perceived based their on qualities like attractiveness, trustworthiness and expertise. | Attractiveness, Trustworthiness, Expertise |
| Amanda Spry, Ravi Pappu, T. Bettina Cornwell (2011) | Study indicated that CE has positive effect on brand credibility (BC) and brand equity (BE). | Attractiveness, Trustworthiness, Expertise |
| B. Zafer Erdogan (1999) | Explained Pros and Cons of CE Strategies in this article. | Attractiveness, likeability, and trustworthiness. |

RESEARCH METHODOLOGY:

Research methodology is give solutions of the research problem in planned way. It includes research objectives, hypotheses, research design, and source of data, data collection tools, sampling methods, data analysis tools, and techniques etc.

Research Design: A research design provides blueprint of research to conduct the research. It also provides us necessary procedures and information to conduct research (Yin, 1989). There are two types of research- quantitative and qualitative research.

This study is a descriptive in nature; it is qualitative research and, based on secondary data. The data has been collected from, Journal, Books, and Report etc.

CONCLUSION AND FUTURE RESEARCH OPPORTUNITIES:

Celebrity endorsement (CE) has positive effect on consumer based- brand equity (CBBE). Celebrity endorsement increases brand awareness, brand association, perceived quality, and brand loyalty. This is how CE brings CBBE for brand or company.

Marketers spends good money on celebrity endorsement and endorser qualities hoping that the celebrity will bring value to brand they endorse and make them more appealing and successful in the market.

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