

The Impact of Celebrity Endorsement And Its Influence Through Different Scopes On The Retailing Business Across United States and Asia

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Abstract - Celebrity endorsements have been one of the key marketing strategies that a retail company has done. The power of the celebrity, since the nineteenth century, has been a blessing to the brands being endorsed, especially in the United States and the Asian continent. In this research paper, we will look into the retail brand perception and the customer satisfaction after applying the celebrity endorsement model. Using the general endorsement model adopted by the Americans, readers can understand the similarities and the differences in the endorsements based on the Asian and American culture.

Keywords - *Celebrity endorsement, Influential power, Factors of Celebrity Endorsement, Celebrity endorsement in various nations, Retailing Business, Brands*

I. INTRODUCTION

Celebrities are truly the most influential icons that people admire. These sorts of influential powers, most notably the rising “star power” of the likes of Justin Bieber and Taylor Swift among the current generation, have a huge impact on the retailing business as well as the brand association. These sort of endorsements have been practiced for a long time since the birth of the TV and radio, but the potential of this publicity strategy have never been more huge with the advent of new technology and new management strategies, both from the retailers, consumers and celebrities point of view.

II. A HISTORY OF CELEBRITY ENDORSEMENT

Since the nineteenth century, the celebrity endorsement strategy has been widely used by retailers and conglomerates. Before the term “celebrity endorsement” can be further explained, Faiz Kasi has defined a celebrity as someone who is recognized by the public for

his or her outstanding attributes, such as a unique skill and lifestyle, which separates them from the rest of the public [Kasi, n.d.]. Meanwhile, Kasi also defines endorsements as a brand communication channel, whereby the celebrity acts as a brand spokesperson and solidify the brand by “extending his popularity, personality, stature in the society, or expertise in the field” [Kasi, n.d.]. The usage of celebrity as endorsers begun as far as the times of Queen Victoria, and her association with Cadbury’s Cocoa, and by accident, in the mid 1880’s, an American tobacco company named Goodwin and Co. made their baseball cards and slot in on every cigarette packs they sold [Cycleback.com, n.d., Sherman, 2010]. Ironically, the baseball cards featuring baseball players are the unofficial forms of endorsement [Cycleback.com, n.d.]. With the advent of radio and televisions in the 20’s and 30’s, celebrity endorsements have boomed, especially with the usage of real human celebrities as themselves and their fictional characters respectively, and also cartoon characters (An example would be the Hanna-Barbara character Yogi Bear promoting Kellogg’s Corn Flakes [Sherman, 2010]). In the context of today’s globalization, celebrities have appeared on many advertisements and other PR activities as the brand’s spokesperson, be in on print media, mainstream media and the internet.

III. CELEBRITY ENDORSEMENT AND HOW AMERICAN CELEBRITIES AND ASIAN CELEBRITIES SPREAD THEIR INFLUENCE

This research will be focusing on case studies and cross-cultural comparisons from the American perspective and the Asian perspective, most notably South Korea, Japan, India and the Middle East (Arab World). Celebrity endorsement in the United States contribute to about 20% of television

commercials while retailers and other companies spend about 10% towards advertisements featuring celebrities [Choi & Berger, 2009]. Celebrities themselves, such as Mary-Kate and Ashley Olsen create their own empire of retail items being sold, especially towards the teen market, while several celebrities like Heidi Montag have recently jumped on the bandwagon in creating their own fashion line of clothes [Mukherjee, 2009]. In the 21st century, celebrities are seen as global icons and a symbol of power and status, according to Ron Berger and Chong Ju Choi [2009]. Generally, these celebrities transcend political, cultural and geographical boundaries due to technological advancement, but celebrities are being thought as differently in various nations. An example would be celebrities in the Middle East, where the Arab world are currently fascinated by the influx of Western values and reality shows imported from the United States and Britain, even though they are restricted within their religious and cultural factors (Case in point: a Saudi celebrity was detained by police for “indecent behavior”, where fans would hug and kiss him. (This is acceptable in the States) [Frizzel, 2011 & Kalliny, Beydoun, Saran, Gentry; 2009]. Celebrity endorsement is currently booming due to the fascination from the Arabs [Kalliny et al., 2009]. Meanwhile, in India, celebrities are being worshipped like “idols” to the masses, and would follow them and even wait for them in droves at events such as a filming of a movie. [Kasi, n.d.] In Far East nations, South Korea especially, celebrities are being culturally hybridized with the American celebrity culture after the Korean wave of music and movies (The pop band Seo Taiji and Boys and the film *Sopyonje* received critical acclaims in their respective field for their depiction about Korean culture and daily life) boom took place [Shin, 2011]. If Seo Taiji and Boys are credited for introducing K-pop, then Lee Soo Man, from SM Entertainment is responsible for the industrialization of Korean celebrities through the grooming of talents, including singers and actors [Shin, 2011]. While there is no comparison between the exposure of male and female celebrities between the United States and the Middle East [Kalliny et al., 2009], Korean television commercials feature more male celebrities than females, while American television commercials feature more female celebrities. In Japan, celebrity endorsements are seen as an advantage to be put into Japanese commercials since all commercials in Japan are aired in 15-second lengths, to cope with the demanding and affluent market [Choi & Tsai, 2007].

IV. CELEBRITY ENDORSEMENT AND RETAIL BRAND PERCEPTION

In the case of celebrity endorsements, the impact it will do on the brand will be greatly affected, and/or proportionally related to each other [Bergstrom & Skarfstad, 2004; Doss, 2011; Hakimi, Abedniya, Zaeim, 2011; Jain, Sudha, Daswani, 2009; Kasi, n.d; Lear, Runyan, Whitaker, 2009; Mukherjee, 2009; Rajakaski & Simonsson, 2006; Sola, 2012; Yang, Lo, Wang, 2012]. The brand association goes beyond the benefits and functions as it can show the values, or attitudes of the brand, in which the brand can be associated with a suitable celebrity sharing the same values [Bergstrom & Skarfstad, 2004; Doss, 2011; Hakimi, Abedniya, Zaeim, 2011; Jain, Sudha, Daswani, 2009; Kasi, n.d; Lear, Runyan, Whitaker, 2009; Mukherjee, 2009; Rajakaski & Simonsson, 2006; Sola, 2012; Yang, Lo, Wang, 2012]. In terms of the relationship between the brand value and the star power of the celebrities themselves, sometimes a positive brand image will offset the negative celebrity power, and will be fully maximized when there is both a positive brand and celebrity images respectively [Bergstrom & Skarfstad, 2004; Doss, 2011; Hakimi, Abedniya, Zaeim, 2011; Jain, Sudha, Daswani, 2009; Kasi, n.d; Lear, Runyan, Whitaker, 2009; Mukherjee, 2009; Rajakaski & Simonsson, 2006; Sola, 2012; Yang, Lo, Wang, 2012]. Generally, research has proven that sensory products, such as clothing and cosmetic products are more favorable than cerebral products, which are products involving login (books, computer) as the consumer wants to feel just like the celebrity, hence stimulating the five senses [Bergstrom & Skarfstad, 2004; Doss, 2011; Hakimi, Abedniya, Zaeim, 2011; Jain, Sudha, Daswani, 2009; Kasi, n.d; Lear, Runyan, Whitaker, 2009; Mukherjee, 2009; Rajakaski & Simonsson, 2006; Sola, 2012; Yang, Lo, Wang, 2012].

V. CELEBRITY ENDORSEMENT AND CUSTOMER SATISFACTION

In terms of consumer satisfaction after buying a product that involves celebrity endorsers, the consumers are willing to pay a higher price for a premium product of a high quality simply because the celebrity endorser has a more positive image and well-respected [Balakrishnan, & Shalini Kumar., 2011; Busler, 2002; Doss, 2011; Hakimi, Abedniya, Zaeim, 2011; Jain, Sudha, Daswani, 2009; Jain, 2008; Kazi, n.d; Mukherjee, 2009; Sola, 2012; Sonwalkar, Kapse, Pathak, 2011; Tangen &

Temperley, 2006, Yang, Lo, Wang, 2012]. The ability to buy is still directly dependent on the consumer's lifestyle, preferences, budget, etc. but it is indirectly influenced by the endorser to buy the particular product [Balakrishan, & Shalini Kumar, 2011; Busler, 2002; Doss, 2011; Hakimi, Abedniya, Zaeim, 2011; Jain, Sudha, Daswani, 2009; Jain, 2008; Kazi, n.d; Mukherjee, 2009; Sola, 2012; Sonwalkar, Kapse, Pathak, 2011; Tangen & Temperley, 2006, Yang, Lo, Wang, 2012]. Celebrity endorsers are well used in situations involving high psychological and social risks, such as acceptance by others, self-image purposes, etc. [Balakrishan, & Shalini Kumar, 2011; Busler, 2002; Doss, 2011; Hakimi, Abedniya, Zaeim, 2011; Jain, Sudha, Daswani, 2009; Jain, 2008; Kazi, n.d; Mukherjee, 2009; Sola, 2012; Sonwalkar, Kapse, Pathak, 2011; Tangen & Temperley, 2006, Yang, Lo, Wang, 2012]. When the endorser is well liked by the general public, eventhough there is a mismatch between the endorser's attributes and the brand's attributes, it still creates credibility for both the brand and the endorser. However, this strategy, which is gaining grounds in China, is experiencing a backlash after there is an over-endorsement between celebrities endorsing multiple brands such as those endorsed by Andy Lau and Yao Ming [Hung, Chan, Tse, 2011]. Ultimately, the satisfaction boils down to two aspect: entertainment-based motivation (admiration towards a celebrity, know about the celebrity in general, would have a problem with multiple endorsements of brands) and intense attachment (think that they are connected personally with the endorser, would not mind the endorser endorsing multiple brands, experience the "feelings" of the endorser [Balakrishan, & Shalini Kumar, 2011; Busler, 2002; Doss, 2011; Hakimi, Abedniya, Zaeim, 2011; Jain, Sudha, Daswani, 2009; Jain, 2008; Kazi, n.d; Mukherjee, 2009; Sola, 2012; Sonwalkar, Kapse, Pathak, 2011; Tangen & Temperley, 2006, Yang, Lo, Wang, 2012].

VI. THE NEGATIVE ASPECTS OF CELEBRITY ENDORSEMENT

Now, we will look into the negative effects of celebrity endorsements and why is it risky to companies and consumers alike. There is the "vampire effect", which is the effect of a celebrity overshadowing the brand [Jain, 2008, Kazi, n.d.]. This can cause a breakdown in the effective communication of a product being advertised towards the consumer simply because consumers are more attracted with celebrities, if the celebrity in particular has

more star value than the product being endorsed by the celebrity [Jain, 2008, Kazi, n.d.]. This case will happen when the celebrity and the brand do not get the similar prominence on the advertisements. There is also a risk of companies incurring a higher cost to rope in a celebrity for the advertising, and this can lead to a decrease in sales revenue and even the celebrity endorsers themselves switching to a rival brand, which is detrimental to the company [Bergstrom & Skarfstad, 2004; Busler, 2002; Erdogen 1999; Till & Shimp, 2009]. The negative publicity of the celebrities (celebrities involve in high-profile scandals such as Michael Jackson, Kate Moss and O.J. Simpson) will greatly reduce the brand equity of the product, since the companies do not control the celebrities' private lives, and this can be a risky situation for brands to come out of, especially newer brands that are looking to stamp their mark [Bergstrom & Skarfstad, 2004; Busler, 2002; Erdogen 1999; Till & Shimp, 2009]. There is also a risk of consumers being confused about certain brands due to the multiple endorsements from a single celebrity [Erdogen, 1999]. Consumers will also feel that the relationship with the brands and the celebrity will be blurred, thus the value of the celebrity will be compromised and the focus will be more on the compensation of the celebrity generosity rather than the attributes of the product [Erdogen, 1999]. It will be met with a serious backlash and thoughts of celebrities' motives. There are many companies who use celebrities image and likenesses without their permission, or even use impersonators of well-known celebrities as the endorsers [Erdogen, 1999]. There is also a sense of celebrities disappearing off the radar after their short exposure of fame, so it is risky as well if the brand also becomes obscure [Erdogen, 1999]. Furthermore, when celebrities themselves are paid to endorse a product by a company, he or she might or might not have use those products before, an example would be the case of Bollywood actor Shah Rukh Khan drinking Pepsi, but might not have use Lux soaps [Jain, 2008]. Consumers will see whether these celebrities have actually tested the product before as they do not actually consider this as an important factor in buying the product.

VII. DISCUSSION

From the analysis given above through various aspects, it is determined that the celebrity endorsement strategy is high-risk, given that should a retail company wishes to engage in this strategy, the company would

have to consider the cost to bring in the celebrity (through a contract for a certain amount of money), the personal life of the celebrity endorser and the match with the brand's attributes. If done right, then it would bring in an increase in sales, depending on the star power. Nowadays, companies rarely use this strategy in light of the current economic situation, mainly due to high costs, but this over-saturation of celebrity endorsements have generally made consumers feel either negative about the celebrity, or feel indifferent about the product. There is also a problem in the sense where celebrity endorsement in Asia has been exploited for the greed of the higher-ups. In South Korea for example, Core Contents Media and its CEO have exploited its top K-pop girl group, T-ara to promote the company's other ventures while SM Entertainment's Girls Generation has been milking out endorsement deals with two rival brands, including a food brand and two social networking sites in Daum and KakaoTalk. This is a worrying trend for these companies as they have the right to be the puppeteer, which is to control every aspect of these "K-pop Idols". Meanwhile, we hear and see a calculated and careful approach of celebrity endorsements in the United States, with the celebrities, although might be signed with a talent agency or a recording company, have more freedom in choosing and promoting the brand of choice, and also having the right to accept or refuse the offered brand to be endorsed from the offeror (the company). For example, Coca-Cola recently associate themselves with the likes of Jennifer Lopez, Steven Tyler and Ryan Seacrest through American Idol, and Reebok's association for its campaign with American rapper 50 Cent. And in the context of teenage celebrities, Justin Bieber (who recently endorses the Proactive skin care brand, , Lea Michele and One Direction lead an onslaught of a potential of huge returns endorsing a brand after knowing that their huge star power would be beneficial for companies looking to break into the Generation Y and Z markets respectively. However, these sorts of endorsements are more effective in China and India since these markets are huge. In India especially, the celebrities are being worshipped as "idols" and are closely followed by most of the Indian population except the rising, yet small middle-class group. Such celebrities such as Amitabh Bachchan and Kareena Kapoor have been associated with international and premium Indian brands, which results in huge returns, largely due to the products being perceived as the "celebrities' weapon of choice", and also has to do with improving the

consumer's self-image. Ultimately, celebrity endorsement is not just to increase sales, but to further boost a brand's image or even to restore faith in the public over a failing brand, to revitalize it.

VIII. CONCLUSION

In conclusion, celebrity endorsement can be a truly profitable advertisement for retail companies to fully harness if the company knows about the star power and the image of the celebrity in relation to the power and the functions of the brand it wishes to be associated with, as long as those companies realize that the brand should be bigger than the celebrity itself, otherwise it will overshadow the product itself to the point of being obsolete, and it defeats the purpose of brand awareness and exposure. The companies will have to also consider when it is the right time to carry out the endorsement strategy based on the current season and trends, in other words, "strike it when the iron's hot". The customer perception and attitude towards the celebrities also has an influence in whether the brand is truly to be followed by consumers for brand recall, or just another ploy to gain more sales. In the end, be it to restore a failing brand, increase sales, or to further boost the image, celebrity endorsement can bring more glitz towards the retail brand's marketing strategy.

IX. LIMITATIONS

The compilation of information gathered in this research paper mostly states the celebrity endorsements from the aspects of the Asian market, using the example of Indian, Chinese and Korean celebrities as an example, while there is a lack of American celebrity examples since the American celebrity endorsement model has been used as a comparison and a guideline. However, there are many countries within the Asian continent which has never been covered since there is a lack of research of celebrity endorsements. Future researches will also cover the other Asian countries.

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