

## Branding and Celebrity Endorsements

Nike is known around the world for being one of the most iconic brands. It was recently ranked as the world's 31st most valuable brand in terms of its brand value – USD10.8 billion – by the annual Business Week's global top 100 brand survey. In spite of many market maneuvers (such as the recent merger between Adidas and Reebok), Nike has remained the leader in its category. Nike is also very well known for another aspect and that is its consistent use of celebrities to endorse the brand. In fact one of the most successful collaborations between a brand and a celebrity is that of Nike and Michael Jordan. So successful was the collaboration that Nike and Jordan launched a new brand variant called the Air Jordan line of sport shoes. Nike pulled off a very similar coup in the sports industry when it joined forces with the ace golfer Tiger Woods to enter the golf category with its apparel, equipment and accessories. Nike had no experience in golf before. Moreover, golf being a very elite game, it was generally considered that a brand like Nike would not be very successful. This might have probably been true had Nike chosen the traditional path to building its equity in the golfing arena. But Nike chose to associate with the best golfer in the world and have him endorse the brand. As is known today, Nike has emerged highly successful in golf.

This channel now being used by many brands around the world raises some crucial questions about ways brands are built and also about the impact such collaborations have on branding. Is associating with a leading celebrity the easiest way to build a brand? Should celebrity endorsement be the principal channel of brand communications? How can brands decide on potential brand endorsers? What are the advantages and disadvantages of such endorsements? Is celebrity endorsement always beneficial to the brand? How does a celebrity enhance a brand image? Answers to these and many other related questions are the content of this article.

### Celebrity Endorsements – A brief introduction

Endorsement is a channel of brand communication in which a celebrity acts as the brand's spokesperson and certifies the brand's claim and position by extending his/her personality, popularity, stature in the society or expertise in the field to the brand. In a market with a very high proliferation of local, regional and international brands, celebrity endorsement was thought to provide a distinct differentiation. But over the years, many aspiring brands in Asia have jumped on to this celebrity endorsement bandwagon. Even though endorsements have taken on a quasi-industry stature, there is hardly any hugely successful collaboration as those of Nike's. There are many reasons for such a happening. The next section addresses this issue.

## Essentials of celebrity endorsements

Even though to an observer it may seem that Nike's success is totally based on Tiger Wood's association with the brand, nothing can be far from the truth. As a brand, Nike has established a very strong brand identity and a brand personality over the years. What Nike did was to use celebrity endorsement as one of the main channels of communicating its brand to a highly focused set of customers. So, Nike's association with Tiger Woods was one of the parts of an entire branding process that Nike has been practicing consistently. Contrary to this, most of the brands in Asia that have used celebrity endorsements have used it as the main brand building tool. Before any brand signs on a celebrity, they should consider three main aspects.

**Attractiveness of the celebrity:** This principle states that an attractive endorser will have a positive impact on the endorsement. The endorser should be attractive to the target audience in certain aspects like physical appearance, intellectual capabilities, athletic competence, and lifestyle. It has been proved that an endorser that appears attractive as defined above has a greater chance of enhancing the memory of the brand that he/she endorses.

**Credibility of the celebrity:** This principle states that for any brand-celebrity collaboration to be successful, the personal credibility of the celebrity is crucial. Credibility is defined here as the celebrities' perceived expertise and trustworthiness. As celebrity endorsements act as an external cue that enable consumers to sift through the tremendous brand clutter in the market, the credibility factor of the celebrity greatly influences the acceptance with consumers.

**Meaning transfer between the celebrity and the brand:** This principle states that the success of the brand-celebrity collaboration heavily depends on the compatibility between the brand and the celebrity in terms of identity, personality, positioning in the market vis-à-vis competitors, and lifestyle. When a brand signs on a celebrity, these are some of the compatibility factors that have to exist for the brand to leverage the maximum from that collaboration.

Even though these three major principles must be adhered to by companies, practically it might be difficult to find celebrities that satisfy all these three conditions. Depending on the nature of the brand and the kind of product being used, companies can selectively emphasize one factor over the other.

## Celebrity endorsements – Do's and Dont's

All brands must be aware of some of the important aspects of celebrity branding as discussed below:

**Consistency and long-term commitment:** As with branding, companies should try to maintain consistency between the endorser and the brand to establish a strong personality and identity. More

importantly, companies should view celebrity endorsements as long-term strategic decisions affecting the brand.

Three prerequisites to selecting celebrities: Before signing on celebrities to endorse their brands, companies need to ensure that they meet three basic prerequisites, namely the endorser should be attractive, have a positive image in the society, and be perceived as having the necessary knowledge (although it might be difficult for a celebrity to meet all three prerequisites)

Celebrity–brand match: Consistent with the principles discussed earlier, companies should ensure a match between the brand being endorsed and the endorser so that the endorsements are able to strongly influence the thought processes of consumers and create a positive perception of the brand.

Constant monitoring: Companies should monitor the behavior, conduct and public image of the endorser continuously to minimize any potential negative publicity. One of the most effective ways to do this is to ensure that celebrity endorsement contracts are effectively drafted, keeping in mind any such negative events.

Selecting unique endorsers: Companies should try to bring on board those celebrities who do not endorse competitors' products or other quite different products, so that there is a clear transfer of personality and identity between the endorser and the brand.

Timing: As celebrities command a high price tag, companies should be on the constant lookout for emerging celebrities who show some promise and potential and sign them on in their formative years if possible to ensure a win–win situation.

Brand over endorser: When celebrities are used to endorse brands, one obvious result could be the potential overshadowing of the brand by the celebrity. Companies should ensure that this does not happen by formulating advertising collaterals and other communications.

Celebrity endorsement is just a channel: Companies must realize that having a celebrity endorsing a brand is not a goal in itself; rather it is one part of the communication mix that falls under the broader category of sponsorship marketing.

Celebrity ROI: Even though it is challenging to measure the effects of celebrity endorsements on companies' brands, companies should have a system combining quantitative and qualitative measures to measure the overall effect of celebrity endorsements on their brands.

Trademark and legal contracts: Companies should ensure that the celebrities they hire are on proper legal terms so that they don't endorse competitors' products in the same product category, thereby creating confusion in the minds of the consumers.

These guidelines are intended to provide companies a useful framework that they can use while deciding on the celebrities to endorse their brand.

## Conclusion

The important aspect that companies must note is that celebrity endorsements cannot replace the comprehensive brand building processes. As branding evolves as a discipline companies must be extra cautious to utilize every possible channel of communication rather than just a celebrity endorsement. When all other steps in the branding process is followed and implemented, then channels such as celebrity endorsements can provide the cutting edge as it did for Nike.

By Martin Roll:

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