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Research and Synthesis

Celebrity endorsements in marketing remains one the most important and widely recognised strategies in business marketing, however its effectiveness is still up for debate by some people and whether or not it is as practical as it is believed to be. In the first source, a literary review, essentially agrees with the original view, agreeing that it is overall effective. It supports the concept that a celebrity's recognition with the general public creates a "meaning transfer process", meaning the positive face associated with the celebrity, commonly judged using the TEARS model (a model used to figure out the effectiveness of a celebrity endorsement in marketing), are then transferred onto the product they are endorsing. The transfer is crucial, because celebrities, who at their face value capture people's attention, typically generate a positive emotional response towards the advertising, which in turn majorly helps boost brand attitude and likely increase the chances a customer will purchase whatever it is being endorsed. This source provides us with the reasons why celebrity endorsements are as effective as they are, saying that the status and familiar face of the celebrity adds value to a brand that unknown actors cannot match, boosting brand recall as well as differentiation from competitors in an already vast market.

On the other hand however, whilst source 2 recognises the power of using a celebrity in marketing, the study found that the 3 main types of celebrity led content, this being photos, mentions and events, failed to significantly grow a brand's popularity, this being measured by likes, comments and shares from the public. This suggests that the believed effectiveness described in source 1 doesn't always show into a measurable short-term engagement from audiences in a majorly digital environment. The sources complement each other by having differing views, one being theoretical the other being practical. Source 1 describes the power of persuasion, using the celebrity as a way to market their product, whereas source 2 argues that the celebrity's fame overshadows whatever it is being marketed, as well as adding skepticism from viewers if they lack authenticity.

Both sources agree that the mechanism of credibility is key for success. Source 1 lists trustworthiness and expertise as key traits for success. Source 2 agrees, saying brands need to adopt a “rational approach” and focus on long term assets like innovation and user experience. The disagreement between the two sources is primarily over the effectiveness of the use of a celebrity. Source 1 argues the involvement of a celebrity is sufficient in creating a positive outcome, whilst source 2 argues that even though celebrity endorsements are necessary but ineffective if the brand does not already have a strong and quality product as well as authentic customer engagement. The main idea to take away from both sources is that for celebrity endorsements to be effective, the benefits of meaning transfer must be used not to hide faults or deficiencies, but to build and strengthen a brand's already long term existing value and avoid creating skepticism and fatigue modern audiences show towards traditional celebrity endorsed marketing campaigns.

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Essay

Celebrity endorsement, the use of a famous individual or individuals to promote a service, product or brand, has been a major foundation of marketing for decades, growing immensely with the introduction of social media platforms. The practice hinges on the use of the meaning transfer, where the fame and perceived qualities of a celebrity are associated with a company (McCracken, 1989). Nowadays, the effort used to make celebrity led marketing campaigns is extreme, aided by the belief that a recognisable face can differentiate itself from other advertisements, creating a trust between the demographic the business is targeting and the brand itself. Whilst the

potential for increased brand awareness and sales is undisputed, the risks, such as celebrity scandal or overshadowing the brand, needs to be critically evaluated.

The success of celebrity endorsement exists on already established communication models: the Source Credibility Model and the Source Attractiveness Model (Ohanian, 1990). When a celebrity endorses a product, service or brand, consumers are influenced through identification and internalisation. Recent research shows that expertise, trust and attractiveness are the main constructs for evaluating the impact of celebrity endorsements on consumer brand purchasing behaviour, particularly in the digital age (Aw & Labrecque, 2020). Studies show that the presence of celebrity can create a positive consumer perception, which in turn leads to enhanced buying intentions (Iskandar & Sutejo, 2023). The core mechanism, as seen in the Meaning Transfer Model, is that their public image and personality are transferred onto what it is they are endorsing, giving customers the ability to claim a part of the transferred meaning for their own life by purchasing the product (McCracken, 1989). The transfer allows for brand positioning, giving the company a significant advantage over the competition in a crowded market where consumers are already overwhelmed by choice. As an example, high profile athletes promoting sporting products transfer their athleticism, transferring their values onto the endorsed good.

There are many strategic and financial reasons why every brand, ranging from luxury to basic goods, put substantial resources into celebrity deals. Celebrity endorsements provide an almost instant boost in brand awareness and recall. In an age of a severely saturated market, the use of a famous face guarantees a way for a brand to diversify itself from others (Schouten et al., 2020). For newer or smaller companies or brands, a major celebrity face can provide an immediate platform for them, which would otherwise have taken decades to build without the help. Another reason for the use of celebrity endorsements is that with the correct match, it significantly enhances a brand’s image and positive outlook of the company. If a celebrity’s image is consistent with the brand's identity, known as the “match up hypothesis”, it creates a synergistic effect. Finally, in the short term, the alignment with the celebrity can directly translate to increased sales and revenue. The influence of the celebrity, especially among younger age demographics like Millennials and Gen Z, can majorly sway purchasing intentions (Chapa & Khan,

2024). If executed successfully, a celebrity endorsement boosts a product or service, making it more desirable and creating a sense of status when the consumer purchases what it is being endorsed.

Despite the proven potential, relying on celebrity endorsement as a primary marketing tool is highly questionable for multiple reasons such as its extreme cost, this being that a widely recognisable face will come with a major price tag, frequent ineffectiveness, many brands have tried and failed to use celebrity endorsements in their marketing, but relied far too heavily on the use of a celebrity face, rather than offering a high quality good or service and finally they are susceptible to reputation risk. The main argument against the use of celebrity campaigns is because of the high investment costs of using a celebrity, failing to yield the company a sustainable return on investment. The cost of securing an A-list celebrity comes with an extremely high price tag, with companies often diverting funds from product innovation and other core marketing campaigns. The investments made are in the hopes that using a celebrity will boost revenue for the company in return, however poor judgement and selection can harm sales and quicken commercial failure of their products (Elango & Suryakumar, 2022). This suggests that celebrities can act as an expensive filter for poor advertising rather than a guarantee for success. Secondly, the risks associated with the endorser can be a major liability. The concept of the "vampire effect", where the celebrity's fame overshadows the product they are endorsing, leaving customers remembering the celebrity rather than the product. Another major risk is the risk of a celebrity scandal. A publicised negative event tied to the celebrity can result in a "spillover effect", causing consumers to tie the negative event to the company, instantly staining the brands image, potentially leading to commercial failure. Studies show that brands undergo drops in revenue after endorser scandals, especially when they fail to remove and suspend the endorsers with negative publicity (Hock & Raithel, 2020). Finally the sheer amount of endorsements nowadays in a digital age has led to it becoming saturated. When celebrities endorse too many brands, it creates overexposure, or when they endorse products that clash with their own beliefs or lifestyle, it seems hypocritical, purely motivated by financial gain. This creates a lack of authenticity, becoming a limiting factor for the business as it diminishes the trustworthiness that brands aim to build (Erdogan, 2021). Most modern consumers, especially those who are commonly

active on social media, are increasingly influenced by those who aren't celebrities as they believe their authenticity and reliability to be greater than that of a celebrity (Pradhan et al., 2023)

The use of celebrity endorsement is both majorly beneficial, but also devastating if managed poorly. The foundational idea that fame creates meaning and enhances awareness remains agreed upon. However the reality is that the benefits of celebrity endorsement are not given on the basis of the celebrity's fame alone; they are earned through intense selection and maintenance. The main argument demonstrated is that for celebrity endorsement to be a sustainable and successful marketing strategy, brands must adhere to multiple aspects of marketing and make sure they correctly choose the right celebrity, the idea of simply choosing a star with a big name will no longer do in today's modern age. A successful marketing strategy requires a detailed assessment and a commitment to ensuring the celebrity fully embodies the core values and product. It is a necessary tactic for differentiation in a highly saturated market, but one that is only effective when treated as a strategic partnership seated in shared values and not simply a transactional exchange of money and visibility.

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Presentation

CELEBRITY ENDORSEMENTS IN MARKETING

WHAT IS IT

A marketing strategy where a company uses a familiar face to endorse their product or service

Mainly done through commercials or social media platforms

The goal is to transfer the star's positive image onto what is being endorsed

Any scandal the star could face, will reflect onto the brands image

Will be extremely pricey for the company to find and hold an A list celebrity for their campaign

WHY IT MATTERS

The use of a familiar face is instantly recognisable

Differentiation from competition, tying a famous face to a company/brand helps them differentiate from others

Helps build brand equity with long term partnerships like Nike with Michael Jordan

The use of someone famous helps brand recall, making it more likely for viewers to remember the brand or company

EXAMPLES OF CELEBRITIES IN MARKETING

(THE GOOD AND BAD)

THE GOOD

MICHAEL JORDAN NIKE DEAL

Signed in 1984, Michael Jordan signed a 5-year, $2.5 million deal establishing the Air Jordan brand. It generated $100 million in its first year. It eventually led to becoming a billion-dollar brand within Nike, generating millions every year for the company

TRAVIS SCOTT MEAL

- The Travis Scott McDonald's collab was one of the first celebrity meals in many decades. The meal was a major success, especially in younger audiences, primarily because of Travis Scott's extreme presence in Gen Z audiences.
- The campaign cause widespread stock shortages as well as drove significant sales

THE BAD

KENDALL JENNER PEPSI

- In 2017 Pepsi released an AD featuring Kendall Jenner handing a Pepsi can over to a police officer amidst a BLM protest.
- The AD was seen as tone deaf and culturally insensitive implying the issues BLM faced could be simply solved.

MICHAEL PHELPS KELLOGS

- In 2009 a photo was published by a British Tabloid posted a photo of Michael Phelps inhaling a marijuana pipe, prompting brands tied with him to drop him almost immediately.
- Michael Phelps was one of America's "Golden Boys" , a perfect poster boy for Kellog's as they aimed to target a young demographic

CONCLUSION

Celebrity endorsements are vital in today's modern age; it helps brands reach broader demographics and aid in brand recall and potential high return on profit

Companies must be careful when choosing their star to endorse their product or service, if the celebrity's own values don't align with the company it can seem disingenuous

Many companies nowadays use stars to endorse their product, so it is beginning to become highly saturated. Audiences, especially young ones, prefer new and smart marketing campaigns over just using a famous face

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