

5.Статистична інформація [Електронний ресурс] / Офіційний сайт Державного Комітету статистики України – Режим доступу: <https://dou.ua/>

1.Voytko S.V. Rynok informaciyno-komunikaciynih tehnologiy: struktura ta analiz / S.V. Voytko, T.V. Sakalosh // Visn. Natc. un-tu “L`vivs`ka politehnika”. – 2007– №594 – S.384 – 392.

2.Rozanova N.M. Ekonomicheskiy analiz otrasli informatcionnih tehnologiy: mirovoy opit i real`nost / N.M. Rozanova // – 2009 –№3 –S. 42-57.

3.Solov`ev V.I. Effectivnost` modeley biznesa na rinke informatcionnih tehnologiy / V.I. Solov`ev //Effectivnoe antikrizisnoe upravlenie. – 2011 – №6 (69)– S. 42-52.

4.Koval`chuk T. T. Suchasniy informatciyniy rynok / T. T. Koval`chuk, I. U. Marko, S. I. Marko. – K.: Znannya, 2011. – 255 s.

5.Statistichna informaciyta [Elektronniy resurs] / Oficiyniy sait informatciynoi statistici – Rejim dostupu: <https://dou.ua/>

***Рецензент:** Балджи М.Д., д.е.н., професор, зав. кафедри економіки та планування бізнесу Одеського національного економічного університету*

*10.01.2017*

УДК 336.417

*Sana Imran*

## **IMPACT OF CELEBRITY ENDORSEMENT TOWARDS THE BRAND'S IMAGE**

This article refers to the brand advertising in the mass media. It is noted that this area is now the most favored means used by marketers. The author notes that the beliefs of consumers modern way of interactive mass media has moved to a higher level in comparison with other media means. It is noted that the modern consumer is always looking for more reliable

means of market research.

**Keywords:** brand image, brand, product approval, values

*Сана Имран*

## **НАДІЙНІ ЗАСОБИ ДЛЯ РОЗШИРЕННЯ ВИЗНАННЯ ІМІДЖ БРЕНДА**

В статті йдеться про рекламу брендів в мас-медіі. Відзначається, що цей область є нині самим улюбленим засобом застосовуваний маркетологами. Автор зазначає, що переконання споживачів способом сучасної інтерактивної мас-медіі перейшла на рівень вище в порівнянні з іншими засобами ЗМІ. Відзначається, що сучасний споживач завжди в пошуку більш надійних засобів вивчення ринку.

**Ключові слова:** брендовий імідж, бренд, схвалення продукту, значення

*Сана Имран*

## **НАДЕЖНЫЕ СРЕДСТВА ДЛЯ РАСШИРЕНИЯ ПРИЗНАНИЯ ИМИДЖА БРЕНДА**

В статье говорится о рекламе брендов в масс-медии. Отмечается, что этот область является ныне самым излюбленным средством применяемый маркетологами. Автор отмечает, что убеждения потребителей способом современной интерактивной масс-медии перешла на уровень выше в сравнении с другими средствами СМИ. Отмечается, что современный потребитель всегда в поиске более надежных средств изучения рынка.

**Ключевые слова:** брендовый имидж, бренд, одобрение продукта, значения

**Introduction.** In modern times, the urge of creating and managing brands is so intense that each and every company has been compelled to pursue strategies of trend setters in the line, with a desire to stay at the top, while keeping an observant eye on to what actually sells. Celebrity

endorsement has emerged as an intensively and optimally used tool of advertising in recent times. *“One-in-four advertisements use celebrity endorsement” (Market Watch, 2006).*

While every advertisement these days, aims not only to create brand / product awareness, but it also aspires to make a significant place in customer’s mind leading to his purchase intent for that particular product. To make it happen, numerous marketing approaches are applied. One of the most popular tools used in this regard, is the celebrity endorsement, through which companies try to leverage the celebrity’s identity for promoting their product (s) or the entity. The market is cluttered by hundreds of well-known examples of celebrity endorsement, the success of which lies, in the application of a well thought endorsement strategy. Picking a celebrity based on his / her fan following seems to be an easy proposition but does it assure a strong connection with the brand and the endorser’s profitability ratio. This aspect still remains debatable.

Often, it is pondered upon, as to why celebrity endorsements have worked since long and still continue to work for many? One logical response is that through celebrities the companies are able to reach to their fan base directly and further tap deep into new potential markets.

While the use of celebrities in advertisements make them visually eye catching and vibrant in terms of their overall appeal, celebrities’ association with the brands becomes captivating, engaging and impact lasting for the target audience. The reason for the said pattern is that audiences aspiringly value celebrities and look at them as their role models; idolize them, thus making them influential in their lives. *Endorsers can be used for a variety of purposes such as getting attention (Kaikati, 1987) and penetrating commercial clutter (Micial and Shanklin, 1994).*

The sales are further triggered by the underline re-assurance conveyed to the consumers about the quality of the product. It is seldom possible to assess the quality of a product before consuming it but seeing a celebrity’s name and good reputation attached to that product helps disregard some of the uncertainty involved with it. Consciously or unconsciously, celebrities speak and try to make the masses believe of the supreme quality of the endorsed brand.

*The high tag involved in utilizing the services of an endorser indicates that marketers expect to get more value than just attracting consumers’ attention. Advertisers try to hire such celebrities for*

*endorsement, who are not only attractive (Baker and Churchill Jr 1977) but credible as well (Sternthal, Dholakia et al. 1978).*

The alliance of brand with an endorser conveys important information about the product, providing a competitive edge to its features. This becomes particularly helpful for attributes that are hard to explain, demonstrate or measure. The leading market brands have continually been taking advantage of brand association with the celebrities. For years, this trend to marketers appears as a winning formula for product marketing and brand building. According to a recent research, 20 percent of all advertisements use celebrity endorsements to enjoy instant public recognition of the product involved. Since the late 1930s, big companies have used athletes and prominent media faces to promote their brands. Companies are always willingly to pay extra bucks to sign celebrities with the expectation to get handsome return on investments. Market watch reveal that from a simple announcement of a celebrity involvement in a brand can easily lead to an elevation of stock prices of the company. One research also states that sales are generally increased by 4% (on an average) after signing a celebrity.

**Brand Development.** The increasingly important role of brands in the daily lives of consumers has prompted some creative terminology, referring to the ‘brandization of society’ (Kornberger, 2010). In order to create a mark of differentiation, products evolved into brands yet made a promise of delivering something extra beyond the basic functional attribute and potential benefits associated. “Brand names thus became hallmarks, which resulted in consumers placing trust in brands and forming bonds with manufacturers.” De Chernatony , L . and Dall ’ Olmo Riley , F . ( 1996 ).

Branding in recent times has become a symbol of quality, which companies use at best to their credit for projection of a competitive advantage and ensure higher financial benefits and increased customer loyalty. From consumer’s perspective, it becomes a mark of identification with embedded credibility, minimizing the level of risk and reducing the search time and cost. *While discussing the merits of brand conception with Ingredient Branding, (Philip Kotler and Waldemar Pfoertsch, 2010) emphasized, “The growth of brand value is the result of an intensive and time consuming learning process, one that is associated with a substantial investment of time and money for the company concerned.”* With ever so increasing competition, increased brand advertising and the perceived level

of expected benefits to both the consumers and manufacturers, has resulted in a proliferation of consumer choice. In fact, the art of creating a differentiation has become more challenging and limited for the marketers. It was soon realized by marketers that the conflict between the branded products is not only limited to their physical attributes but the brands have to grow beyond those, therefore, emphasis was progressively added to the symbolic and emotional appeals. It was apparent that to ensure long term success of a brand, developing and maintaining a wholesome brand image was inevitable. Thus, the core activity of many companies transformed from the production of things to the production of images.

**Brand Equity.** *"The term brand equity refers to the incremental value added by a brand's name to a product"* (Farquhar, 1989). While, the celebrity endorsement has been observed for its positive effects in terms of advertising effectiveness, brand recognition and consumer's favorable attitude towards the brand, another area being studied by the researchers, is its effect on Brand Equity. *"Branding is a sign of quality and can be used to secure competitive advantage and increased financial returns and high customer loyalty."* (Batra, R. and Homer P, 2004). *In accordance with the Marketing Science Institute (MSI, 1989, cited in Faircloth et al., 2001, p. 62), equity is defined "both a financial asset and as a set of favorable associations and behaviors", be it associated with a brand or celebrity.* (Diana Seno and Bryan A. Lukas (2005).

**Celebrity Product Endorsements.** *"Celebrity endorser is an individual, who is known by the public for his or her achievements in areas other than that of the product class endorsed"* (Friedman and Friedman, 1979).

Celebrity endorsement is a highly effective strategy to gain consumer interests and brand loyalty in a cluttered marketplace. *Pringle (2004) has reported a high rate of return (27 times its costs) for the same strategy. Studies use various paradigms, including source credibility (Hovland, Janis, and Kelley 1953), source attractiveness (Kahle and Homer 1985; Ohanian 1990), meaning transfer (McCracken 1986), and image congruence (Biswas, Biswas, and Das 2006) to understand its effects.*

If we take a rational view, we understand that each and every celebrity has a personal impact factor and as an endorser celebrity accomplishes different things for a brand. As marketer, the most common success predictor is the calculation of endorser's fans. Instinct would take

us to this direction for evident reasons; however this strategy might not prove the best course of action for all cases. It is important to develop a collaboration or connection between celebrity and brand. Random selection of brand ambassador should be abstained from and marketers need to infuse some synergy between the brand and celebrity. Celebrity endorsement gives an edge to the product by giving access to new markets and tap into an already existent and active base of fans. This strategy was used in Patrick Dempsey's unscripted men's perfume for Avon.

*We define celebrity endorser 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”, McCracken (1989, p. 310).*

As a matter of fact, more and more gorgeous women are into celebrity endorsement these days. Pretty women like Julia Roberts for Lancome, Emma Stone and Halle Berry for Revlon, Drew Barrymore for Covergirl, Jennifer Lopez and Beyonce for Loreal, Kim Kardashain for Sephora and Amanda Seyfried for Givenchy are only the few to mention. Male celebrities have also joined the bandwagon of brand endorsements. LeBron-James, Tiger Woods and Cristiano Ronaldo for Nike, David Beckham and Noval Djokovak for Adidas, Brad Pit for Chanel, Leonardo Di Ccaprio for Tag Heuer and Daniel Craig for Heineken are some of the examples.

The advertisements using sex appeals and emotions of celebrity endorsers are more popular amongst the consumers. This is because they appeal consumers' innate desire to be like the people that they look up to and admire.

**Brand Endorser's Credibility.** Celebrities are considered to bring attention towards advertisement due to their likeability and attractiveness (Erdogan, 2001). Celebrities possess an ability to spark sales by enticing consumers to learn more about the endorsed brand. Endorsers provide a mean to promote a unique, relevant and sustainable brand attribute, which might otherwise be a difficult target to achieve. Goldsmith et al. (2000) define celebrity credibility as the extent to which a celebrity is “perceived as possessing expertise relevant to the communication topic and can be trusted to give an objective opinion on the subject”

The huge success of Nike in the sports of golf can be attributed to the endorsement of brand by the top golfers like Tiger Woods, who stayed at the top for a long time. “Celebrity image as the perceptions about an

individual, who enjoys public recognition as reflected by the celebrity associations held in consumer memory.” Diana Seno and Bryan A. Lukas (2005)

Research has found that celebrities are more effective than other types of endorsers, such as “the professional expert”, “the company manager”, or “the typical consumer” (Friedman and Friedman, 1979).

“Endorsement types can be explicit (“I endorse this product”), implicit (“I use this product”), imperative (“You should use this product”), or co-presentational (merely appearing with the product).” Diana Seno and Bryan A. Lukas (2005). The more favorable a consumer’s perception of these credibility ingredients is, the more the celebrity endorser is seen to be a credible source of product information and a credible representation for a brand (e.g. Ohanian, 1990).

Increase in number of brands endorsed by celebrity decreases the celebrity worth and influential power (Tripp et al., 1994). A recent example is of Russian Tennis Star Maria Sharapova, who being brand ambassador of Nike, was caught on using contraband drugs. Sharapova was instantly removed from Nike’s campaign to save credibility of Nike amongst the consumers. Celebrity’s involvement in negative event makes them less encouraging or appealing to the product or service they endorse (White et al., 2009).

**Celebrity-Product Endorsement Equity.** Celebrity product endorsement process has to be analyzed as a two way process. It has to be understood here that it is not only the celebrity, who is affecting the image of the product’s brand equity, but also the brand / product has an impact on endorser’s equity.

Till and Shimp (1998) suggest that celebrity product endorsement is an interactive process between brands. It might be pertinent to point out here that the brand image has a direct link to brand equity; likewise, celebrity image is linked to celebrity equity. Many examples can be cited, where the progressing celebrities’ endorsement fees have elevated, owing to their favorable image projection. Thus, it proves the direct linkage between the endorser’s image and their equity. Both the celebrity and the brand can be deemed as equity drivers as once associated, they become related to each other. Celebrity thus possesses the potential to affect the brand equity of the endorsed product by augmenting the overall product brand image. Likewise, the brand has an equal ability to affect the celebrity equity by

giving a positive push to the celebrity image. Celebrity endorsement allows building reciprocity into the partnership by supporting the celebrity endorser's brand.

It has been examined by researcher and experimental evidence also suggest that *“celebrity endorsement generates greater recall for both the endorsed brand and the advertisement”* (Atkin and Block, 1983). Aaker's (1991) first four dimensions (i.e. brand awareness, brand associations, perceived quality and brand loyalty) are considered important (Yoo et al., 2000).

“Celebrity endorsement does not build brand equity directly; rather it impacts on a brand's credibility, which subsequently leads to improved brand equity.” (Amanda Spry, Ravi Pappu and T. Bettina Cornwell, 2009)

The two most important factors to ensure credibility in the message endorsed are expertise of the endorser and the trust worthiness. *Lady Gaga is a renowned example for mastering the art of marketing and assisting in positive image creation of associated brands. Business minds have been all praises as she expands her brand beyond music. Another example can be cited of famous actor John Travolta, who possesses a commercial pilot license and also owns a Boeing-707 aircraft. When John Travolta endorses Australian Airlines ‘Qantas’ as a celebrity, his credentials add lot of credence to his endorsement. Similarly, examples can also be sited, where endorser provides ground for innovation of the product / service offering. Rihanna's "Umbrella" song hit big at the Grammys following her designs for Totes' umbrellas hitting big at the retailers.*

*An attractive celebrity is likely to be an especially potent source of brand image because of the dual benefit of their celebrity status and attractiveness (Kamins, 1990).*

### **Risks of Celebrity Endorsement:**

Celebrity endorsements can reap huge rewards for a brand. Yet, there can be associated pitfalls that companies should also take into account before developing an endorsement program. While many experts still debate on the efficacy of celebrity endorsements contemplating that many times people tend to remember that a celebrity joined an advertising campaign but they tend to forget the product that was advertised. *“Thus ‘misplaced marketing’ can happen because advertisers do not focus on what the audience needs to see or hear but just on what they wanted to say” Herbert Rotfeld (2002).*

But what happens when the endorsers seems to be “unsuitable” for



the brand name that they promote, or seem “suitable” in the beginning but then something damages their reputation and things stop working as they were supposed to? Gatorade, AT&T and Accenture ended their contracts with Tiger Woods after an infidelity scandal in 2009, Knittel and Stango (2010) estimated that it produced total shareholder losses of US \$ 5–12 billion.

Celebrities can also overshadow the brands. Many celebrities endorse multiple products / brands at a given time. This leads to confusion in the minds of the consumers, whether to hold a favorable image for the product or for the celebrity. Cristiano Ronaldo a renowned footballer is seen advertising for Adidas and KFC at the same time. Similarly, over-exposure of celebrities in various brands at one time also proposes delusion in consumer minds. The ultimate message can be perceived as the celebrity wanting to endorse anything or everything for an extra buck. Companies should however work and be able to link up with celebrities, who have a positively substantial impact on their brands, whether it’s directly tied together, or slightly off-brand. Recently, PokerStars have initiated a huge marketing campaign which involves two renowned football celebrities, Cristiano Ronaldo and Neymar Junior, who themselves are great fans and players of Poker.

**A Managerial Perspective on Celebrity Endorsement and Branding.** *“Target customers’ specific mental associations to a brand (brand image) will influence how they globally evaluate and respond to that brand (this constitutes the strength of a brand), which will influence market performance and the economic value that the brand generates for the brand-owning firm (brand value)” (Johan Anselmsson and Niklas Lars Anders Bondesson, 2012)*

It is equally important to understand the managerial challenges that are involved in the use of personalities to ensure a consistent image across the desired spectrum of communication vectors, in order to project the desired image of the product.

*“Marketers thus should have means to measure brand ambassador personalities to make better choices of apt representatives for their communication campaigns. (Johan Anselmsson and Niklas Lars Anders Bondesson, 2012).* Brand ambassadors are used to reinforce the identity that the brand wishes to occupy in a consumer mind.

Celebrities should not only be chosen on the ranking in terms of popularity but on the suitability as being the best match for the endorsed product. Consumers are highly sensitive to any negative behavior of brand ambassadors, which might result in an uncalled for reaction of the consumers towards the brand. Thus, it is imperative for the marketing manager to construct a workable strategic fit between celebrity and product image.

The advertising campaigns of cosmetic companies are generally very attractive, alluring and well thought out. Involvement of top class women celebrities in such advertisements adds credence to their appeals.

Another important thing to note is that marketers should not only rely on the celebrity for long term sale of the product. If the millions of fans are only concerned with the brand because their favorite celebrity is on its billboard, then they should remember that they the brand will have to kiss its entire fans goodbye, if one day another endorser is signed.

### **Concluding Remarks:**

As marketers, the choice of the right celebrity to endorse the products remains the most perplexing task. The most appealing criterion for selection of endorser might remain the most apparent characteristics, like physical appearance, over all personality, intellectual abilities or athleticism. However, it is also important for the companies to seek for the most important traits in an endorser, which are trustworthiness and credibility for the brand. To make the audience genuinely believe in your endorsement program, it is expedient to look for a celebrity, who seems to be an authentic user of the product or the service. Brands also make use of the social media communities of their celebrities, which creates a better linkage between the individual and the business.

### ***References***

1. Aaker D.A. (1991), *Managing Brand Equity*, The Free Press, NY.
2. Amanda Spry, Ravi Pappu and T. Bettina Cornwell, 2009 *Celebrity endorsement, brand credibility and brand equity*, *European Journal of Marketing* Vol. 45 No. 6, 2011 pp. 882-909
3. Atkin C., Block M. (1983), "Effectiveness of celebrity endorsers", *Journal of Advertising, Research*, Vol. 23 No. 1, pp. 57-

61. Batra, R. and Homer, P. ( 2004 ) The situational impact of brand image belief . *Journal of Consumer Psychology* 14 (3) : 318 – 330 .

4. Erdogan B. Z., Baker M. J., Tagg S. (2001). Selecting celebrity endorsers: the practitioner's perspective. *Journal of Advertising Research*, 41(3), 39-49

5. McCracken G. (1989), “Who is the celebrity endorser? Cultural foundations of the endorsement process”, *Journal of Consumer Research*, Vol. 16 No. 3, pp. 310-21.

6. De Chernatony L. and Dall’ Olmo Riley F. ( 1996 ) Modelling the components of the brand. *European Journal of Marketing* 32 (11/12) : 1074-1090 .

7. Diana Seno and Bryan A. Lukas (2005) The equity effect of product endorsement by celebrities *European Journal of Marketing* Vol. 41 No. 1/2, 2007 pp. 121-134

8. Farquhar P.H. (1989), “Managing brand equity”, *Market Research*, Vol. 1 No. 3, pp. 24-33.

9. Friedman H., Friedman L. (1979), Endorser Effectiveness by Product type, *Journal of Advertising Research*, 19(5), 63-71

10. Kornberger M. (2010) *Brand Society: How Brands Transform Management and Lifestyle*. Cambridge, US: Cambridge University Press.

11. Kamins M.A. (1990), “An investigation into the “match-up” hypothesis in celebrity advertising: when beauty may only be skin deep”, *Journal of Advertising*, Vol. 19 No. 1, pp. 4-13.

12. Knittel C.R., Stango V. (2010) *Shareholder Value Destruction Following the Tiger Woods Scandal*. Davis: Graduate School of Management, University of California. Working Paper, <http://faculty.gsm.ucdavis.edu/~vstango/tiger004.pdf>.

13. Johan Anselmsson and Niklas Lars Anders Bondesson, “What successful branding looks like: a managerial perspective, *British Food Journal* Vol. 115 No. 11, 2013 pp. 1612-1627)

14. Ohanian R. (1990), “Construction and validation of a scale to measure celebrity credibility”, *Journal of Advertising*, Vol. 19 No. 3, pp. 39-52.

15. Philip Kotler and Waldemar Pfoertsch, 2010, “Ingredient Branding – Making the Invisible Visible” Page 76.

16. De Chernatony L., Dall’ Olmo Riley F. ( 1996 ) Modelling the components of the brand . *European Journal of Marketing* 32 (11/12) : 1074

– 1090

17. Salzer-Morling M., Strannegard L. ( 2004 ) Silence of the brands . European Journal of Marketing 38 (1/2) : 224 – 238 .

18. Tripp C., Jensen T. D., Carlson L. (1994). The effects of multiple product endorsements by celebrities on consumers' attitudes and intentions. Journal of Consumer Research, 20, 535-547.

19. White D. W., Goddard L., Wilbur N. (2009). The effects of negative information transference in the celebrity endorsement relationship. International Journal of Retail & Distribution Management, 37(4), 322-335.

20. Yoo B. and Donthu N. (2001) “Developing and validating a multidimensional consumer-based brand equity scale”, Journal of Business Research, Vol. 52 No. 1, pp. 1-14.

**Рецензент:** Гарибли Е.А., д.е.н., доцент, кафедра міжнародних економічних відносин Бакинського Государственного Университета

21.02.2017

УДК 687.53:65.018

*Траченко Людмила, Бужилова Анастасія*

## **ДОСЛІДЖЕННЯ КОНКУРЕНТОСПРОМОЖНОСТІ ПОСЛУГ ОПЕРАТОРА МОБІЛЬНОГО ЗВ'ЯЗКУ**

У статті виявлено тенденції розвитку українського ринку послуг мобільного зв'язку; за результатами SWOT-аналізу компанії визначено шляхи посилення сильних сторін, ліквідації слабких, подолання зовнішніх загроз і кращого використання ринкових можливостей; оцінено конкурентоспроможність компанії; досліджено уподобання споживачів і фактори, які впливають на вибір мобільного оператора; надано рекомендації щодо шляхів підвищення конкурентоспроможності послуг оператора мобільного зв'язку.

**Ключові слова:** конкурентоспроможність, ринок послуг мобільного зв'язку, маркетингові дослідження, споживацькі уподобання.