

CELEBRITY ENDORSEMENT ON COSMETIC PRODUCTS AND ITS IMPACT ON SALES IN JAKARTA

Juliana Berewot¹
BINA NUSANTARA UNIVERSITY

ABSTRACT

The raising demand of cosmetics in Jakarta has created competition in Indonesia's cosmetics industry both for foreign and domestic companies. As a result, consumers are offered with many options of brands from different companies. This condition creates difficulties both for the customers to recognize the best cosmetic for them and for the companies to attract more consumers to use their products. In order to increase sales and to produce brand awareness, some companies using celebrities as their endorsers. The common reason using celebrities is that the messages carried by celebrities has great impact on customers rather than those carried by non-celebrities. The aim of this research paper is to find out the impact of celebrities endorsement on cosmetic products sales in Jakarta and also to find out the motives of using celebrity endorsement. The finding of this research revealed that celebrity endorsement has influenced consumers' demand of the products thus it their sales.

Keywords: Celebrities endorsement, cosmetic products, sales.

INTRODUCTION

Cosmetic consumers in Jakarta, the capital city of Indonesia, have been exposed to many advertisements both in printed and online media of the cosmetic products. The aim for each advertisement is to create awareness and awaken consumers' interest on their products. One of the most effective means of advertising, in which the advertiser try to

¹ Bina Nusantara University (jberewot@binus.edu)

increase the brand image and identification of the celebrity to promote a product or company (Atkins & Block, 1983). In accordance with that, Solomon (2002), the motives for using celebrity endorsement involves its potential to create awareness, positive feelings towards their advertising and brand. Advertisement featuring celebrity endorsement is often also perceived to be entertaining. Research has shown that celebrity endorsement can have an impact on the consumer's attention, recall, evaluations and purchase intentions (Atkin and Block, 1993; Ohanian, 1991; Sherman, 1985; Belch and Belch, 1995).

Companies spent much money yearly on celebrities' endorsement to create the good or positive awareness their products and brands. Crucial objective of celebrity endorsement is to accomplish a favorable impact on brand image. Companies considering that the power of a brand lies in the mind of existing or potential customers and what they have experienced directly or indirectly about the brand, adopt strategic brand management approach, using celebrity endorsement. Therefore, advertisers should go for a careful selection of celebrities because if any micro aspect may go wrong in celebrity endorsement selection process, whole of the celebrity endorsed advertisement campaign may collapse. This will ultimately show brand the way back to pavilion (Till and Shimp 1995). Advertisers try to employ celebrities for endorsement who are not only attractive but reliable as well. These two aspects will bring a comprehensive impact upon the customers, as most of the customers prefer those celebrities who are credible and reliable, some like those who are attractive and possess charming physical features, and some look for and consider both of these characters.

Advertiser should also look for a proper match between the celebrity's personality and product's attributes. This will prove to be successful because the congruence of features from the celebrity and the product targets the senses of the customer more positively and leads to the development of favorable perceptions about the brand.

LITERATURE REVIEW

Celebrities

Erdogan (1999) concludes that celebrities are those people who have well known by the large number of people. They have special uniqueness and features like magnetism, unusual standard of living or special skills that are not commonly experiential in common people. That it can be said that in society they are different from the common people.

Celebrity endorsement

Khatri (2006) studied that the celebrity endorsement is the promotion strategy to attract the customers. By analyzing the current market, now it has become the need of the marketers to use the different famous personalities to relate with their brands to create a unique identity of the brand and to do famous his company's brand or product, which results in high expenditure for the company to use that strategy. However, nowadays it is used to be a powerful strategic tool to get maximum profit. It also shows that this can carry risk, because there is no sureness that the celebrity can come up with the sales generation of the firm. But it creates a buzz and gives popularity to the company and the brand. This can increase the expectation of the customers in terms of real star by delivering the company promise. There are certain perspectives occur where the real persons can work better than the celebrities' endorsement, but not always.

Effectiveness of Celebrity Endorsement

The celebrity endorsement model is essentially simple: a person with high visibility (or 'fame') features in a campaign in order to draw attention to the product or service it is promoting. The idea behind this is that positive brand qualities, such as likability, reliability and attractiveness, are transferable between the brand of the celebrity and the brand they are advertising, and will therefore generate desirable campaign outcomes (Khandai and Agrawal, 2010).

A celebrity endorsement was traditionally a long-term contract between the celebrity and the company to promote a brand, product or service through adverts, campaigns, and appearances. Source credibility model suggests the spokesperson's positive characteristics

affects the receiver's acceptance of the message (Khan and Khan, 2002). Credible sources effect attitudes, beliefs and behavior occurs when individuals conform to the attitude and behavior advocated by a credible source because they believe in the substance of new attitude or behavior (Freidman and Friedman, 1979). Once these attitudes or behavior gets adopted, they stayed in minds of the consumers even after the message or the source is forgotten. Hovland, Janis and Kelley (1953) proposed model source credibility by states that Expertise and Trustworthiness are two important factors from which credibility originates. "Capability" is perceived to have the ability of making correct assertions by virtue of having the relevant skills (Hovland, Janis and Kelley., 1953). It is referred as competence, authoritativeness, expertness and qualification (Khan and Khan, 2002).

Crisci and Kassinove (1973) reported that the agreement of the respondents to commendations made by the source directly varies with the perceived level of expertise. A source observed more expert generated more intentions to buy the brand (Ohanian, 1991). Expert endorser produced positive brand attitude and greater purchase intent than non-expert endorser in an experiment by Till and Busler (1998). Trustworthiness is the point where audience considers the communicator and the statements to be valid. Consumers are doubtful regarding untrustworthy.

OBJECTIVES OF THE STUDY

The objectives of this study is to describe the celebrity endorsement phenomenon and find out how companies can benefit from using celebrity endorsement, what are the disadvantages of using celebrity endorsement, can celebrity endorsement affect the brand image and/or customer loyalty and what challenges does using celebrity endorsement have. The objective of this research is to get examples of working with a celebrity or influencer and getting the marketing directors comments on what it was like to collaborate with these celebrities.

1. Investigate factors for choosing celebrities in advertisement.
2. Investigate factors that attracts consumers towards celebrity

- endorsement.
- Investigate the extent of influence celebrity endorsements have on general public.

RESEARCH METHODOLOGY

Structured questions were designed to collect primary data using convenience sampling from 35 respondents from different background of studies, occupation, and income group. Whereas journals, textbook and internet were sources for secondary data of this research.

ANALYSIS AND INTERPRETATION OF DATA

Nowadays, the celebrities' endorsement becomes one of crucial means of advertisement for branding matters. The objective of this research is to know the impact of celebrities' endorsers of cosmetic products to their sales in Jakarta. A set of questions is asked to different types of consumers to know the impact of celebrity endorsement in creating the positive image of brand in consumers' awareness.

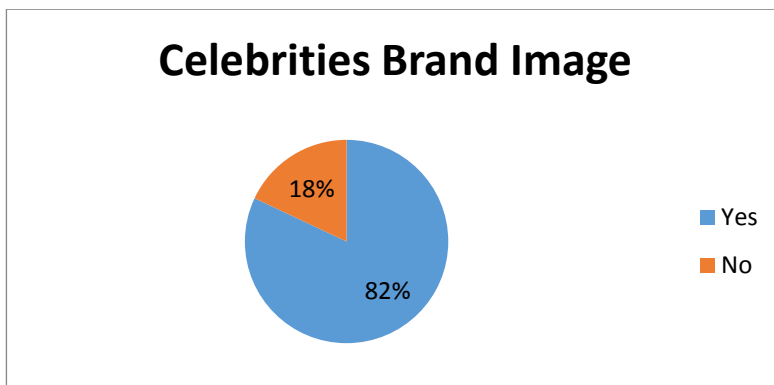


Figure 1. Celebrities Brand Image

Based on the data collection, 87 % showed that celebrities who become the endorsers should have good brand image in order to leverage

company brand awareness as well. Whereas 18 % of the sample informed that it should not be related between celebrities brand image with company brand awareness since they think that these two are not related at all as it is shown in Figure 1.

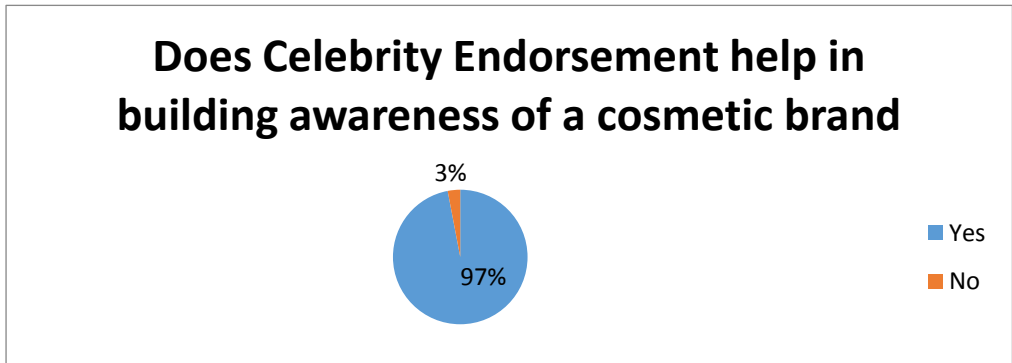


Figure 2. Celebrity Endorsement Help in Building Awareness of a Cosmetic Brand

The result of the data collection showed that celebrities endorsement is able to build consumer awareness of a brand cosmetic as shown in Figure 2. It is shown on the result 93 % of respondents thought that celebrities endorsement is really helpful for marketing .

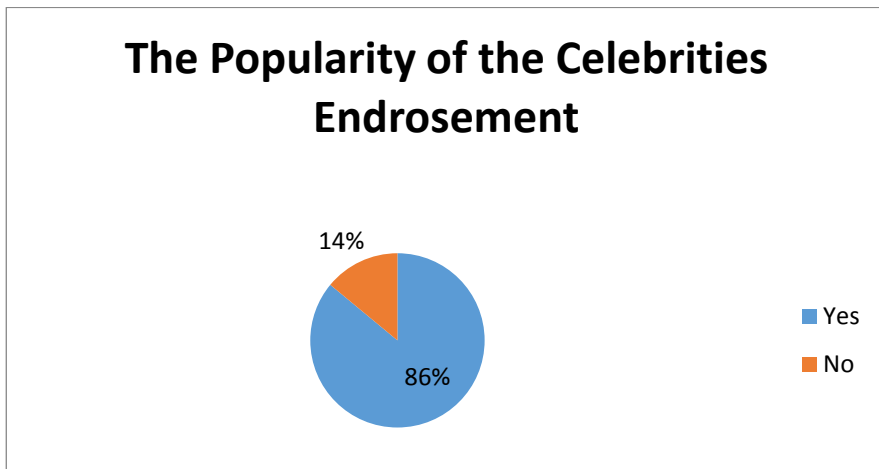


Figure 3. Popularity of the Celebrities Endorsement

Based on the data collection, it can be said that the popularity of celebrities among the customers plays a vital role in image building of a

brand as it is shown in figure 3. Only very few customers does not believe on that. As we can see that 86% of customers said that the popularity of celebrity is important, so that it can be concluded that popularity is an important factor to choose celebrity.

FINDINGS OF THE STUDY

Based on the review of past literature and the mixed method undertaken, main findings of the study are as follows. Firstly, it is written on celebrity endorsement improves product information and creates awareness among consumers. It helps them to recall the brands of the endorsed products. Secondly, the consumers of strong products have their motivational sources from need and products utility. The study revealed that the celebrities convincing endorsement motivates them to materialize the purchase of durables. The consumers are induced significantly by the celebrity endorser when the target is on quality and price.

SUGGESTIONS

In order for the company to further boost the image, celebrity endorsement toward cosmetic sales, this research suggests:

1. In order to have better sales in cosmetic product by using celebrity endorsement, there must be consistencies to increase the strength of the link between celebrity and the endorsed brand from time to time.
2. In order to be more effective when integrated across celebrity endorsers will be more effective when integrated across the elements of the marketing mix. The main objective of advertising is to convey information to the target audience and to build positive attitudes and purchase intention about the product or service being offered. Therefore celebrity endorsers plays a very important role the product or service being offered.

CONCLUSION

Celebrity endorsement is cost-effective advertisement for retail companies especially for cosmetics products. In order to fully attach 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. 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 conclusion the effectiveness of celebrities plays important role in promoting products since it can attract consumers and increase the sales.

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