

Celebrity Endorsement in Advertising:A statistical analysis and Endorsers Know –How regulations in India

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ABSTRACT

There is always a challenge among the manufactures, marketers and advertisers to capture the attention of audience and build a connection, that could lead to purchase decision .Celebrity endorsement in advertising is a common practice for marketers and advertisers to influence consumer attitude and purchase intention. The celebrity endorsement in India is quite prevalent in India and being recognized by target audience .This paper has been written to show - A glimpse of 2021-2022 of practice of celebrity endorsements in India and latest legal regulations regarding endorsements .Guidelines and provisions regarding endorsements are being issued by government of India for safeguarding the interest of consumers . This paper has highlighted the key findings of last year statistics celebrity endorsement in India and key components of the guidelines issued by CCPA .

KEYWORDS: Celebrity endorsement , glimpse of Celebrity endorsements ,Misleading advertisements, Guidelines for prevention of misleading advertisement, Endorsements know –how .

Introduction

Celebrity Endorsement :

McCracken's (1989) definition of a celebrity endorser, "**any individual who enjoys public recognition and who uses this recognition on behalf of a consumer**

There is always a challenge among the manufactures marketers and advertisers to capture the attention of audience and build a connection, that could lead to purchase decision .Celebrity endorsement in advertising is a common practice for marketers and advertisers to influence

consumer attitude and purchase intention. Different media platform are using celebrity advertising featuring famous celebrities, influencers, actors , sportsperson , chefs etc. for getting recognition and trust among the larger audience .The practice of using celebrities as brand ambassadors is preferred by brands (Amos et. al. 2008) .Significant amount of money is spent on endorsements (Thorson , 2008) The brands and marketers are using different celebrities for different kind of products like cosmetics, electronic equipment's, food and beverages, banking, insurance, health related products, education and the list is endless.

A well-known personality helps the advertisers and marketers to reach a large group of audience in a faster way and find ways to develop an association and recall in the mind of audience. Later, that audience eventually gets converted into the consumers.

Why companies hire brand ambassador for endorsing a brand or product ?

For **adding credibility** to the brand

For **trust building** among audience .

For developing **an association and relationship** among the audience .

For **lazy marketing** where face much important job rather than ideas

A BRIEF REVIEW :

Misraet. al.(2019)This study concluded that consumer is more inclined to purchase a product endorsed by celebrities .The identified factors that escalate the image of a celebrity in the eyes of consumers are the Attractiveness, reliability , credibility and Familiarity .However, celebrities Attractiveness has the most important and credibility is the slightest important factor in shaping consumer-buying decision.

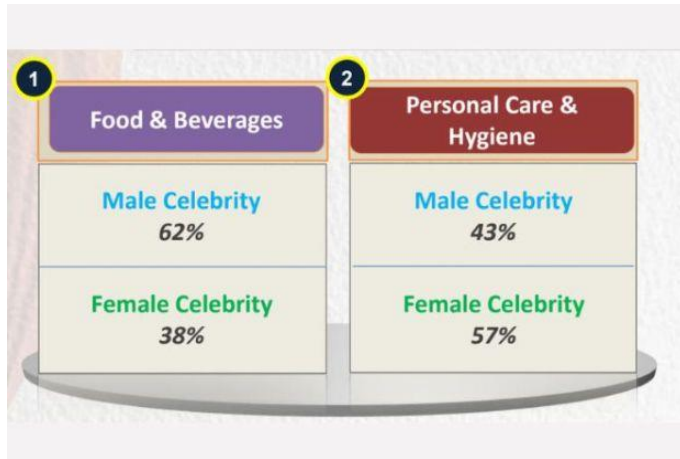
Rachbini, Widarto (2018). The study reached to the result that celebrity endorsement has a important role to play in increasing purchase intention of consumers. The celebrity must be selected particularly on the basis of dimensions - trustworthiness, attractiveness and expertise .However , Trustworthiness is concluded as the biggest contributor , followed by attractiveness and expertise .

Gupta et.al. (2015) Present study results reveal that celebrity endorsement can be used as an effective marketing tool as it have a significant impact on consumers' purchase intention. The study has concluded trustworthiness as the most important factor in the choice of a celebrity endorser, followed by attractiveness while expertise don't have significant impact on purchase intention .

Key findings regarding celebrity endorsement last year (TAM Media research Report, 2022)

- More than 80 percent of celebrity endorsed ads have used movie actors/film stars ,10 percent sports persons and television stars as only 4 Percent .
- 29 percent of television advertisements were endorsed by celebrities and 71 %
- An increase of 1% was noticed from January -March 2022 to July-September 2022 regarding the growth of celebrity endorsement advertisements from the period of April to June 2022, celebrity-endorsed advertisements percentage dropped by 2%.
- Celebrity endorsements under top three sectors food and beverages, personal care , and service sector has been found to be 50 percent .
- Top two sectors of food and beverages and service sector were dominated by female endorsers .During jan to june 2022 .
- Akshaykumar was the most visible celebrity with an average of 37 hrs per day over all channels , Amitabh bacchan 18 hrs per day .
- The top 10 list had 60% of women celebrities and 40% of men celebrities endorsed ads.
- As per the report, Amitabh Bachchan, Ranveer Singh, Anushka Sharma, Shahrukh Khan and Katrina Kaif advertised for more number of brands in Jul-Sep'22, when compared to Apr-Jun'22. Moreover, Amitabh Bachchan endorsed the maximum number of brands in Jul-Sep'22 and was ranked third in terms of ad volumes, it observed.
- Top celebrity couples (jul -sep 2022)
 - Akshay Kumar/Twinkal Khanna,
 - Amitabh Bachchan/Jaya Bachchan
 - Deepikapadukone/Ranveer Singh,
 - Anushka Sharma/ViratKohli

- Ranbir Kapoor/Alia Bhatt.



Source :TAM Media research Report, 2022)

Guidelines on Prevention of Misleading advertisements and endorsements for misleading advertisement 2022

Mmisleading advertisement

Any advertisement via any media that gives false information , flase claims , misrepresents the features , content , qualities or exaggerate the claims about product / service or misguide mislead the consumer could be broadly termed as misleading advertisement. Any advertsiment contraveningand violating any provision of the legal regulations of advertising also comes under the perview of misleading advertisement.

Social media also has a role to play in this regard. But while we talk about advertising appeals and endorsement there is always a risk of getting mislead by advertisements and unfair practices followed by brands on different media platforms.

It might be possible that endorsers and influencers might not be aware of the quality, legitimacy and other related aspects of product they endorse. In 2021, From 2017 to 2020, more than 12,000 complaints were stated as misleading by grievance against misleading advertisements.

‘Endorsement Know-hows’ Released by the Union Government

Recently, The Department of Consumer Affairs, released set of guidelines called for celebrities, influencers, and virtual influencers and stated it as “Endorsements Know-hows!”. The guidelines have been framed under the Consumer Protection Act, 2019 (Rules) in June 2022. The guidelines are issued for the purpose celebrities and influencers to maintain authenticity & transparency and with their target audience. In case the advertisement found to be deceptive or misleading the endorsers would supposed to be liable for that and secondly the consumer would not be getting trapped.

Scope : The guidelines are applicable to all types of advertisements in any form, through any media. The guidelines are also applicable to all types of manufactures, service providers agencies and endorsers and for all types of private or public ads.

Who need to disclose ? The guidelines have specifically state that marketers and advertisers who have access to an audience and has ability and power to influence perception and opinion and the buying decision of an audience due to the celebrity influence, credibility, or relationship with the audience

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Source: Endorsements Know-hows!

When to disclose ?

Marketers and advertisers must disclose to its audience if the endorsement is a result of any monetary or other kind of incentive or material benefit* from the advertiser. The guidelines given by the government under Consumer Protection Act stated that if the endorser including celebrities and influencers are endorsing a product and they are being paid any compensation for it, or there is any other kind of sponsorship from the advertiser, endorsement must clearly and dominantly disclose the same.

Material benefit may include

Monetary compensation ,hotel stays or sponsored trips ; free products; discounts on products ; media barter ; Gifts ; Coverage and awards ; personal or employment relationships etc .

How to disclose?

The different kind of guidelines have been stipulated for different kind of formats used for endorsement

For images: Disclosures are required to be superimposed on the image that viewer can easily notice.

For videos: Disclosures are required to be placed in the video and should be present in both audio as well as video format.

For live streams: Disclosures are required to be displayed continuously and prominently during the entire stream.

Disclosures :

- Simple and understandable language must be used while stating disclosures and must be in the same language of advertisement.
- The terms ‘advertisement’ ‘ad’ ‘paid promotion’ or ‘paid’ can be used .
- The terms ‘XYZ ambassador’ are also acceptable for limited space ad platforms.
- Disclosure must be clearly visible and should not be mixed with links and hashtags etc. endorser must give diligence before endorsing the product about product usage and experience .

Due diligence :

It is being recommended that the product or service must actually be used and experienced by the endorser and celebrities must always review and satisfy themselves that the claims made by advertiser can be substantiated.

Legal action :In case of negligence in disclosure requirement

Penalty :The manufactures or endorsers could be imposed a penalty of Rs. 10 lakhs and if the offence is repeated the amount of penalty can be extended to Rs. 50 lakhs

The authorities can also ask to discontinue the advertisement with immediate effect , if it is for false or misleading .If after the first offense, the endorser continues the same he or she could be banned by the authorities for up to three years for repeated offenses.

The penalty could be exempted if the endorser has claimed and verified about the due diligence on their part.

Examples of advertisement not accepted by audience by celebrities - Akshay Kumar , Ajay Devgan and Shah Rukh Khan endorsing a paan masala brand. Akshaykumar was mocked for his choice of brand .Similarly Actor Amitabh Bachchan was similarly found to be unaccepted for appearing in paan masala campaign. Actress Madhuri Dixit was asked to justify her claim of nutrient value stated in the ad of 2-minute noodle brand. Actress Alia Bhatt endorsing edding apparel for Manyavarwas criticized for the meaning of 'kanyadaan'depicted in the ad.

Case of EMAMI :In 2015 , one of the resident of Delhi complained against Emami misleading advertisement in District Consumer dispute Redressal Forum of Central Daily about the Fair and Handsome cream world number one fairness screen for men. The complainant claimed that that he has used the product as per the directions given on the packaging of the product but the results are not as being claimed . He also contended that Shahrukh Khan as its brand ambassador misled the audience by claiming the fairness result in three weeks.

Therefore company was asked to pay a penalty amount Rs. 15 lakhs to consumer welfare fund.

But here the endorsers was not held liable for the same.

Latest Cases of misleading advertisements :

Advertising has a huge impact on our lives, and importantly, our preferences. Companies also recognise the power and spend millions of dollars in marketing and advertising their products and services to people. And while ads are expected to fluff up products, there are times when companies resort to outright lying and breaking the law to try to sell a product.

1. SENSODYNE

Recently CCPA ordered GlaxoSmithKline (GSK) Consumer Healthcare LtdIndia to Sensodyne advertisement in India .Chicago dentist was showing promoting product in the advertisement while Doctors in India are not allowed to endorse and drug or product publicly .Moreover , he company was also questioned claims of “recommended by dentists worldwide”, “world’s no.1

sensitivity toothpaste” and “clinically proven relief, “works in 60 seconds” and found flouting rules .



Representative Image of a Sensodyne advertisement.

2. HORLICKS

Horlicks was also questioned for claim of diet deficiency of nutrients in 9 out of 10 children’s and ASCI mentioned the claim as misleading

3. BYJU’S

Byju’s claim about the one crore number of student using Byjuapp 90 percent of students getting renewal of their subscription was treated as misleading .

3. RASNA

Rasna’s claim “From the forests of Sunderbans to your home,” was stated as an exaggeration of claim for its honey product .

4. APOLLO HOSPITALS

Apollo Hospitals claimed, “Achieve freedom from your weight issues,” and found guilty for claiming cure of obesity related diseases such as diabetes, infertility, heart diseases and found to be unsubstantiated with any base .

5. DOVE

HLL claimed 98 percent reduction in Hairfall was said to be misleading for Dove by ASCI.

Conclusion : The paper concluded that no doubt celebrity endorsement can raise the brand recall , acceptance of brand and purchase intention of consumers . The ad spend on endorsement have

also getting a boost with its positive impact on ROI and sales of companies but there is always a need to keep a caution regarding the promotional measures to be true , acceptable , under legal rules and non-misleading , not exaggerated . As the misleading claims not only affect negatively to the brand and product reputation but also the endorsers reputation too . So where the advertisers has to be cautious while selecting celebrity for endorsement , at the same time the celebrity must also take due diligence while selecting the company and accepting the proposal for endorsement for protecting themselves to be trolled , alleged and penalized . Today consumer is an active participant , and government has framed clear cut guidelines for not only advertisers but for the endorsers too ,and in case on negligence of either part , the strict adherence of penalty as well as punishment is there to curb misleading practices .

15 companies have withdrawn ads found ‘misleading’: CCPA | India News, The Indian Express
80% of the celebrity-endorsed ads consisted of movie actors: Report | The Financial Express
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