RESEARCH ARTICLE

THE SCALABILITY AND LIMITATIONS OF BRAND ENDORSEMENTS.

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Abstract

In this competitive era, we’ve seen markets created and toppled with various products and services. It is to the credibility and viability of the branding techniques applied and the marketing which is executed by the companies that they survive. Branding plays a vital role in making the products available to a large outreach of people regionally and globally which is a pivotal aspect, if a company needs to bolster its goodwill. Gaining the trust and loyalty of a customer remains an integral factor in acquiring the goodwill of the consumers which is now incorporated through the art of Brand Endorsements. Brand endorsements is one of the most influential branding techniques that encapsulate the minds of consumers to be attracted by their products and services. Though sometimes not fully aware of what they are buying or investing into, consumers take a leap of faith on believing in the endorsements and trusting to give it a chance. The aim of this paper is to understand the role of brand endorsements and to put this branding technique to employability where required to enhance the performance of a business. There is certainly no king in this business world constantly reigning due to the evolving rate of competition, but the scope to conquer the market and emerge into a leader has never been deteriorated. It is the risk that the companies take upon investing into endorsements that sometimes bounces back with serendipitous profits.

Introduction:-

There is no need for a few concepts in this world unless specially created otherwise. Brand endorsements is one such concept that doesn't have to be necessarily employees in the business, but when incorporated, adds immense value to the credibility of the company. With its additive value, comes the need for incurring costs towards it into picture. It is an elevated enhancement for a company. Though firms may work better even without these endorsements, it doesn’t deny the fact that endorsements uplift the credibility of the business in the market. However, brand endorsements is a concept with its own pros and cons. The question is whether your company is a company that might need the boost of an endorsement. There are two major types of brand endorsements. One of them being endowment by celebrity, the other one is endorsement by another brand.
Endorsement by celebrities: Such brand endorsements are the endorsements given by celebrities in favor of the brand. A celebrity in this context need not necessarily be an actor or a sportsperson or an artist. It can be any personality, who people can recognize and relate with, in their daily life. These endorsers create a psychological impact on the consumers as they instigate the target audience towards trusting in the brand. The amount of trust the endorser stimulates is the amount of returns the brand earns. Such brand endlessly are widely offered by actors, models, sportspersons, business magnets, et al. The fan base of most people tends to use the brands as they are psychologically bound to believe in what their role model endorses. Endorsements mask the company of its flaws and hide them under the projected scenario of such brands with the screening of the brand endorsers. This is a direct branding techie as the target audience is directly being communicated about the brand and there is no other grand involved in its promotion. This need not necessarily be an advertisement or a promo video. A sportsperson using a specific brand of his sportswear is indeed an endorsement for the brand which is unmasked for. This attracts for a specific attention towards the brand. In another case for example, an actress in a designer's masterpiece when walks down the red carpet of a gala ceremony, it is recognized under fish lens and the designer would gain an enormous driven attention. Such mediums have time and gain proved their weightage in the fields of branding and marketing.

Endorsement by another brand: This is branding technique, wherein one brand uses the credibility of another brand. This is usually an indirect branding technique as not most companies would prefer to directly brand others in this competitive business world. It is usable applicable when one brand associated with another brand. The lower valued brand gets induced with the brand value of the higher valued brand and indirectly creates an expression upon the consumers of the brand of its credibility. Such brand collaborations uplift the nominal brand identity to that of those which are well known in the market. The free product given when purchased of some other product is one such example wherein one brand uses the credibility of another brand. When a luxury automobile brand uses a specific tyre brand, the tyre brand’s value enormously increases along with its own value in the market. This is another type of endorsement which is unmasked for. Such is the effect that endorsements which are intentionally or even unintentionally induce. It is also true when two brands of different brand value sponsor to an event or a cause. Due to the visibility of both these brands together, the smaller brand would be indirectly endorsed by the bigger brand. These endorsements play a vital role in the mutual upliftment of the brand values when both the brands possess high brand recognition in the market.

Need for Brand Endorsements:-
As discussed earlier, there is no specific need for brand endorsements unless desired to be incorporated otherwise. When the specific need doesn’t exist, why would anyone desire to invest into these endorsements then? It is due to the heavy returns that the brand earns when invests into a right brand endorsement. To the degree to which endorsements reach, the returns would be fetched. The profits of the company maximize with the increased reachability of the endorsement. Reachability in this context doesn’t mean to only reach consumers but it refers the degree which consumers are desirably influenced by the endorsement. It is the desired influence an endorsement inks upon the consumers that drives them towards the brand. As long as the drive towards the brand is on an increased note, the profits would be maintained on a higher scale than when earned without the incorporation of such endorsements. This evidently traces back to the increases sales due to which increased profits are enjoyed by the brand. Eventually during this expedition, the brand expands its scope to conquer the market cap with its goodwill. A brand that performs good in the market is recognized by its market share band this indeed would touch the consumers’ views towards trusting the brand. And thus would in return elevate the performance of the brand in the market.

Limitations of Brand Endorsements:-
With its scopes, has its limitations. The concept of brand endorsements is a mixed notion of marketing technique as it is bewildered with its returns. The four major limitations of brand endorsements are explained below.

Cutting the edge of break-even:-
The motive of brand endorsements is to earn profits on a drastic upscale. What benefit would it cater to if such marketing activities wouldn’t break-even? There would certainly be no company that would go for brand endorsements expecting to suffer loss. Regardless of the short-term suffer of financial block, brand endorsements look forward for a long-term perspective to earn good amount of returns. To reach the profit scale, the minimum requirement is to break-even the cost incurred. And this must be strategically forecasted, without which the company may be at stake operating to the amount invested into such endorsements.
Small scale companies usually fall prey when they invest a major chunk of their finances into branding, hoping that it would uplift their company resulting in high volume of sales, but that sometimes would only be left as a fantasy for such companies when they realize that branding alone wouldn’t skyrocket their sales as it comes with huge costs which become unbearable. Thus companies should be aware of the future circumstances and they should also focus that the derived results of the branding should be more than the cost invested in it.

**Shouldn't backfire:-**
The brand endorsements, at times, backfire when perceived negatively by the consumers. If the brand doesn't maintain to a level that it portrays it is in, their endorsements have a greater possibility of being backfired and it would be questioned for cheating the consumers. The trust would eventually be lost and the loyalty would be faded. Reasoning the inefficiency to or induce what it shows it does, the consumers would refrain from looking at such brand even in the future. This would take an enormous effort to earn back the trust of the consumer and could impress a backfiring loss.

In November 2015, Aamir Khan the then brand ambassador of Snapdeal had spoken illicitly upon India’s take on tolerance which created unrest amongst the citizens of the nation. On the business upfront, Snapdeal faced a lot of slack from customers as Aamir Khan was their brand ambassador during that point of time. Their sales had taken a toll and there were online protests from the citizens on micro blogging platforms such as twitter stating that they wouldn’t indulge in transactions with Snapdeal until he was sacked off from his position.

**Uncertainty of the scope of the endorser:-**
The scope of the endorser’s credibility in the market is uncertain as the endorser today can in on the top charts and tomorrow from down to a ground level. This uncertainty is a risk-taking factor that a brand must consider and plan for. Future is uncertain to both the brand and the endorser and so proper forecasting just be done. Also, necessary steps must be taken to avoid the possibility of loss and plan for an endorser who has the greatest possibility of upsaling in the market. As it is inevitable to lose scope for uncertainty, it is not completely true that the effect of it can be minimised to the greatest scale with effective and proper planning.

According to Business insider, in 2004, Professional Basketball player ‘Kobe Bryant’ was stripped off his prestigious and cash rich contracts with big brands such as Nutella & Mc’Donalds as he was accused for sexual harassment. The companies mentioned above are family-centric brands which didn’t want to face any sort of negative criticism due to the reckless behavior of the brand ambassadors and the respective companies took the decision in an upright fashion to get their goodwill out of the foreseen rough patches.

**Lack of Due-Diligence of the brand:-**
Sometimes companies take hastened decisions without introspecting much about the ways and methods of depicting their branding technique which might be sometimes inappropriate or controversial in nature, and which might bring about an adverse effect on the brand as well as the endorser. The essence of brand endorsement would be completely nullified if comprehensive checks aren’t carried out resulting in a probable loss of time, effort and moreover, the financial budget allocated to carry out the branding campaigns.

According to Business Insider, in 1989, Madonna was brought on-board to impede with Coca Cola’s adverts which were quite a sensation back then. Pepsi had unintentionally plotted their own downfall by portraying religious symbols in a resentful manner which caused a controversy that ultimately led to the withdrawal of the advert itself. And this indeed had an effect on the brand and also the endorser.

**Conclusion:-**
The business world is a vast ocean where only specific concepts and theories afloat amidst varying waters. Too fancy as it sounds it is, there is no constant technique that applies to any kind of business. Brand Endorsements is one such practice that might upscale and bolster ones brand or even pull down to the rags. It is a risk and a blessing when it scales up the goodwill of the brand but it remains a paradigm of branding that one must meticulously adhere to.
Bibliography:


