

Pros and Cons of Celebrity Pitchmen

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Marketing

Word that Nike is yanking tarnished Penn State coach Joe Paterno's name from its [on-site childcare center](#) highlights the risks businesses face when they try to hitch their wagons to celebrities. As long as the celeb keeps his or her nose clean, all's well. If the celeb goes down, however, the company risks going down, too. Even in light of these risks, hiring a celebrity is an appealing option to many businesses.

Paul Cartwright, president of [Sports Celebrity Marketing](#) in Georgetown, Ontario, says celebrity marketing isn't just for the behemoths of the business world. The owner of a one-location fitness center can get a local high school coach to do a radio ad, and get the same proportionate benefit as an uber-marketer like Nike does from its long association with the likes of Michael Jordan.

If you weigh the pros and cons, and still would like to consider employing a celebrity for endorsements and other marketing purposes, here's advice on how to select the right one, negotiate the deal, make the best use of the arrangement and, finally, be able to get out if that celebrity gets a PR black eye.

Picking the Right Celebrity

It starts with making the business case for a celebrity tie-in. "You want to make sure there's a direct and apparent tie between your product or service and the celebrity," Cartwright says.

Ideally a celebrity should be viewed as possessing expertise that applies to your offering. So a coach could plug athletic shoes, an entertainer could promote a concert venue, a race-car driver could endorse an oil-change center.

A workable tie-in is also age-appropriate. "If you have a young athlete endorsing Geritol or incontinence products, you have lost that person," Cartwright says. In the same vein, the celebrity should be a credible user of the product. "If it's too much of a stretch you lose that believability," Cartwright says.

Finally, the celebrity's image should fit the product. An edgy personality known for pushing the envelope would be a poor choice for an investment offering, Cartwright notes. However, that same person might be ideal for a new technology product that's targeting risk-takers.

Hiring a Celebrity

Cartwright notes that, in sports, many communities' teams have locally popular players, who never become All Stars or achieve national prominence. "They tend to be a lot more affordable than the national guys," he says. "And if you're only selling your service in Chicago, you don't need somebody that's well known in Los Angeles or Atlanta."

Nor do you have to commit to a multi-year contract giving you the right to use the celebrity's face on everything from billboards to entire product lines. You can—and should—at least start by hiring the celebrity for a one-time use such as an appearance at a grand opening or sales meeting. In addition to being more affordable, this gives you a chance to test the arrangement.

Cartwright suggests carefully watching how the celebrity handles the gig. Note first whether your new pitchman arrives on time and well prepared. Ideally, he or she will have done some research on your company, your offering and your corporate culture and tailor remarks accordingly. The celeb should graciously interact with attendees. The overall impression should align with your marketing objectives, whatever those are. If any of these are lacking, it should be a warning sign.

Check the Fine Print

If all appears well, you may want to take the next step of hooking up for a longer-term relationship. If you do, make sure the contract has a morality clause, stipulating that the arrangement is null-and-void if the celebrity involves himself or herself in a scandal.

While that can help you avoid further embarrassment in the event a celeb steps out of line, it doesn't help you get back what you've lost through the now-undesirable association. Luckily, the damage may not be as bad as you think, Cartwright says. He cites consumer studies showing that celeb missteps didn't necessarily have negative effects on brands they endorsed even though their behavior did affect consumers' views of the celebrities themselves.

And sometimes a little scandal can be okay. "If you're from the school of thought that says any publicity is good publicity, if your celebrity gets your brand on the news, maybe that's a good thing," Cartwright says. "I can see that for some of the edgier products and services."

Celebrity Marketing Outlook

Marketing with celebrities has entered a new era, thanks to social networking. “You know what he had for breakfast and where he’s clubbing tonight,” Cartwright says. The information also reaches consumers more quickly. “You’re not waiting on the news any more,” Cartwright says. “You know from his Twitter account.”

The more personal connections consumers have, or perceive to have, with celebrities via social media have given endorsements new leverage to boost sales. That could be highly significant because, while celebrity marketers like Cartwright use endorsements for reassuring potential purchasers, others aren’t as sold on celebrities. One market research [study](#) found just one in eight ads featuring celebrities produced sizable increases in ad effectiveness. And one in five such ads had negative impacts.

Still, it will take a lot of negative research studies to convince business owners not to employ celebrities for marketing. Perhaps because of the personal enjoyment business owners experience hiring sports and entertainment legends or perhaps because celebrity tie-ins really do work, celebrity marketing is here to stay.